



Daily Report

China

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7 December 1989

Daily Report

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CONTENTS

7 December 1989

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Foreign Ministry Holds Weekly News Briefing	1
Malta Summit [XINHUA]	1
Bush's Veto of Immigration Act [XINHUA]	1
Dalai Lama To Visit GDR [XINHUA]	1
Yang Shangkun To Visit Near East [XINHUA]	2
Impact of German Reunification on Europe Viewed [Hong Kong TA KUNG PAO 6 Dec]	2
Official Addresses GATT Meeting, Urges Equality [XINHUA]	3
IMF Head Praises Economic Reform Policies [Hong Kong HONGKONG STANDARD (BUSINESS STANDARD) 28 Nov]	3
Police Recruited To Meet Asian Games Need [Beijing TV]	4

Soviet Union

Zheng Tuobin Meets Labor Delegation [XINHUA]	4
Hebei Vice Governor Meets With Delegation [HEBEI RIBAO 14 Nov]	4

Northeast Asia

Deng, Kim Il-sung Said to Clash Over Reforms [Hong Kong SOUTH CHINA MORNING POST 7 Dec]	5
DPRK Army Political Delegation Visits	5
General Hosts Banquet [XINHUA]	5
Qin Jiwei Meets Group [XINHUA]	5
Japanese Journalists Interview Li Ruihuan [XINHUA]	6
Official Hopes for Continued Japanese Funding [XINHUA]	6

Near East & South Asia

CPPCC Official Condemns Israeli Tactics [XINHUA]	6
3 Pakistanis Sentenced in Shanghai for Smuggling [ZHONGGUO TONGXUN SHE]	6

West Europe

Embassy Condemns French Prize for Dalai Lama [Beijing International]	7
State Recalls Ambassador to Norway [Stockholm Radio]	7
Belgian Business Groups Call for Ending Sanctions [Beijing Radio]	7

East Europe

Envoys Seek New East Europe Contacts [HONGKONG STANDARD 7 Dec]	8
Commentator on Rehabilitation of Prague Spring [Hong Kong TA KUNG PAO 7 Dec]	8

NATIONAL AFFAIRS

Political & Social

Jiang Zemin Gives Speech on Mass Media Work [XINHUA]	10
--	----

Laws Published on Cadres Involved in Prostitution [XINHUA]	13
Beijing To Begin Citywide Recruitment of Police [CHINA DAILY 7 Dec]	13
Jailed Dissident Dai Qing Allowed To See Family [Hong Kong SOUTH CHINA MORNING POST 7 Dec]	13
Article Criticizes Liu Binyan, Other Dissidents [GUANGMING RIBAO 18 Nov]	14
Vice President Wang Zhen Gains Influence [Hong Kong SOUTH CHINA MORNING POST 7 Dec]	16
Wang Zhen Urges More Openness in Economic Zones [XINHUA]	17
Returning Students Receive 'Warm Welcome' [XINHUA]	17
Returning Students Provided 'Better' Services [XINHUA]	17
Hangzhou Collects Student Psychological Records [XINHUA]	18
Youth Leader Denies University Student Arrests [MING PAO 29 Nov]	18
Education Information System Develops [XINHUA]	19
Education System for Gifted Children Established [XINHUA]	20
Article Describes Beijing University Atmosphere [ZHONGGUO TONGXUN SHE]	20
Article Views Industrial University Conditions [ZHONGGUO TONGXUN SHE]	21
Song Jian Inspects Zhengzhou Monitoring Device [Zhengzhou Radio]	21
Book Criticizing 'River Elegy' Published [XINHUA]	22
Article Exposes 'Evil Motives' of 'Elites' [RENMIN RIBAO 22 Nov]	22
Customs Officials Cite Major Smuggling Cases [RENMIN RIBAO 25 Nov]	23
Novel, Discussion Recall Cultural Revolution [ZHONGGUO XINWEN SHE]	23

Science & Technology

Nuclear Industry Makes Military, Civilian Goods [XINHUA]	24
Bank To Sign Loan for Satellite Project [Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) 28 Nov]	24
Technology Promotion Committee Established [XINHUA]	25

Military

Veteran Generals Complain About Yang [Hong Kong CHENG MING 1 Dec]	25
Civil Affairs Ministry, PLA Issue Circular [XINHUA]	26
Feature Describes Lin Biao's Hangzhou Fortress [ZHONGGUO XINWEN SHE]	26

Economic & Agricultural

Article Views Rectification Through Deeper Reform [RENMIN RIBAO 27 Nov]	28
Regulations Seen as Prelude to Yuan Devaluation	31
FEC 'Trap' Cited [Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) 28 Nov]	31
'Minor Uproar' Reported [Hong Kong SOUTH CHINA MORNING POST 29 Nov]	31
More Foreign Loans Used for Transport Development [CHINA DAILY 25 Nov]	32
Business Guilds Make 'Dramatic Comeback' [XINHUA]	32
Provincial, Municipal Banks Meet on Overdue Loans [XINHUA]	33
October Industrial Bank Loans Top \$2 Billion [CHINA DAILY 28 Nov]	33
Experts Call for Control of Extrabudgetary Funds [XINHUA]	33
Statistics Bureau Reports on November Production [XINHUA]	34
Corporations Seek Tungsten Monopoly [CHINA DAILY 28 Nov]	34
State Council Approves Energy-Saving Projects [XINHUA]	35
Western Nan Hai's Oil-Gas Exploitation Viewed [Hong Kong TA KUNG PAO 27 Nov]	35
Tian Jiyun Comments on Agricultural Production [CHINA DAILY 28 Nov]	36
Contract Grain Procurement Policy Reaffirmed [XINHUA]	37
Best Harvest Since 1984 Forecast [ZHONGGUO XINWEN SHE]	37
1.5 Billion Yuan Investment Set for Agriculture [CHINA DAILY 27 Nov]	37
Nationwide Irrigation Campaign Under Way [XINHUA]	38

REGIONAL AFFAIRS

East Region

Jiangsu Holds Party Congress 23-23 Nov [Nanjing Radio]	39
Jiangsu Forecasts Record Fall Grain Harvest [XINHUA]	39
Commentary Urges Support for Jiangxi Agriculture [JIANGXI RIBAO 13 Nov]	40
Shanghai Students Participate in 'Social Practice' [XINHUA]	40
Shanghai Reports Enterprise Consolidation [Shanghai Radio]	41
Shanghai Prepares Campaign Against Six Vices [Shanghai Radio]	41

Central-South Region

Article Examines Guangdong Economic Situation [NANFANG RIBAO 22 Nov]	42
Hainan Secretary Inspects Public Security Work [Haikou Radio]	45
Hainan Issues Circular on Central Committee Session [Haikou Radio]	45
Hunan Provincial Leaders Do Voluntary Labor [Changsha Radio]	46
Hunan Discipline Inspection Commission Meets [Changsha Radio]	46

Southwest Region

Guizhou CPC Committee Session Ends 1 Dec [Guiyang Radio]	47
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North Region

Beijing Committee, Cadres Study Plenum Guidelines [BEIJING RIBAO 13 Nov]	49
Article Recalls 'Subversive' Shanxi Reform Seminar [SHANXI RIBAO 10 Nov]	49

Northeast Region

Heilongjiang Surveys, Registers News Media [Harbin Radio]	51
Heilongjiang Reports Grain Purchases [Harbin Radio]	52
Jilin's He Zhukang Tours Livestock Company [Changchun Radio]	52
Jilin Discipline Inspection Plenum Ends [Changchun Radio]	52

Northwest Region

Gansu Discipline Inspection Commission Meets	53
Meeting Agenda [Lanzhou Radio]	53
Meeting Ends [Lanzhou Radio]	54
Qinghai Secretary Comments on Agriculture [Xining Radio]	54
Shaanxi Party Plenum Opens 27 Nov [Shaanxi Radio]	55

TAIWAN

Spokesman on Mainland Refugees in South Korea [Taipei International]	56
Senior Parliamentarians To Be Retired Gradually [CNA]	56
Editorial on East Europe, Mainland Reforms [CHINA POST 22 Nov]	56

HONG KONG & MACAO

Hong Kong

Security Secretary on Refugee Repatriation Plan	58
Cites Details [SOUTH CHINA MORNING POST 30 Nov]	58
Legislators Attack U.S. Stand [SOUTH CHINA MORNING POST 30 Nov]	58
Refugees Resist [SOUTH CHINA MORNING POST 29 Nov]	59

General

Foreign Ministry Holds Weekly News Briefing

Malta Summit

OW0712104789 Beijing XINHUA in English
1037 GMT 7 Dec 89

[Text] Beijing, December 7 (XINHUA)—Major changes are taking place in the current international situation, more than ever before hegemonism does not work and power politics is not yet fully withdrawn from the stage of history, a Chinese Foreign Ministry spokesman said at the weekly news briefing here today.

The spokesman made the remarks in response to a question requesting China's comment on the view that the Cold War has come to end as expressed by leaders of the United States and the Soviet Union in their just-ended summit.

The spokesman said that in international contacts, there are still obvious attempts to interfere in other countries' internal affairs by various means, violating the norms governing international relations.

He said, the practice of power politics is detrimental to the relaxation of the international situation and will only lead to the continuation of the Cold War.

Responding to a question as to which of the two super-powers should bear greater responsibilities in practising power politics, the spokesman said, there might not be many countries capable of practising power politics in the world today, and China opposes any power politics no matter which country practises it.

Bush's Veto of Immigration Act

OW0712111889 Beijing XINHUA in English
1106 GMT 7 Dec 89

[Text] Beijing, December 7 (XINHUA)—China has taken note of the fact that the U.S. President has pocket-vetoed the Emergency Chinese Immigration Relief Act of 1989 adopted by the U.S. Congress, a Chinese Foreign Ministry spokesman said here today.

He made the remarks at a weekly news briefing here this afternoon. Regrettably, however, the President has made possible the execution of the measures contained in the bill by administrative means, the spokesman said.

He noted that the sending of Chinese personnel to study abroad, their management and assignment upon their return are all China's internal affairs in which no foreign government or parliament has the right to interfere.

It is only natural to set forth the home country service requirement for government-funded personnel studying abroad upon completion of their studies and it conforms to international practice and the understanding reached between China and the U.S., he said.

The allegation that Chinese personnel studying abroad might be persecuted upon their return to China is utterly groundless, the spokesman said.

He pointed out that the above-mentioned action of the U.S. side is bound to do serious damage to the Sino-U.S. educational exchanges and the responsibility for it lies with the U.S. side.

"We urge the U.S. Government to immediately halt all actions that undermine the educational exchanges between the two countries and the Sino-U.S. relations as a whole," he added.

Dalai Lama To Visit GDR

OW0712113489 Beijing XINHUA in English
1126 GMT 7 Dec 89

[Text] Beijing, December 7 (XINHUA)—A spokesman for the Chinese Foreign Ministry said here today that China is regret [as received] over the Dalai Lama's visit to East Berlin.

"We have already made representations about it," said the spokesman at a weekly news briefing here this afternoon when answering reporters' questions concerning the Dalai Lama's visit.

He said that Tibet is an inalienable part of the Chinese territory, and the Dalai Lama is not merely a religious figure, but an exile engaged abroad in activities aimed at splitting the motherland.

The spokesman pointed out that China is against the Dalai Lama's conducting political activities in any capacity in other countries, and even more against his making statements on any occasion which are detrimental to the unification of China and the unity of all its nationalities.

"We welcome the statement of the Government of the German Democratic Republic (GDR) on its continuous support of China's position on the question of Tibet," the spokesman said, adding however, that "we express regret over the GDR Government's offer of permission to Dalai to enter the GDR."

In answering to another reporter's question, the spokesman said that it is known to all that Tibet is an inalienable part of the Chinese territory and the Tibetan issue is entirely China's internal affairs, which brook no foreign government, organization or individual to interfere.

He said that the Dalai Lama is not a religious and cultural figure in an ordinary sense, but is a political exile who has for a long time engaged in activities undermining the national unity and splitting the motherland.

He said that awarding the "Human Right Prize" to the Dalai Lama by the French Commemorative Prize Committee is an interference in China's internal affairs. "This is something China will never accept," he added.

When asked to comment on the meeting between the Dalai Lama and Yan Jiaqi, the spokesman said that the Dalai Lama is an exile abroad conducting activities aimed at splitting the motherland and Yan Jiaqi is a criminal wanted by the Chinese police for his inciting and organizing the counter-revolutionary rebellion in Beijing last June.

He said that it is the Chinese Government's solemn position to oppose to giving permission by the government of any country having diplomatic relations with China to either the Dalai Lama, or Yan Jiaqi, or the like for their conducting political activities in its country against the Chinese Government.

Yang Shangkun To Visit Near East

OW0712105889 Beijing XINHUA in English
1042 GMT 7 Dec 89

[Text] Beijing, December 7 (XINHUA)—Chinese President Yang Shangkun will pay an official goodwill visit to Egypt, the United Arab Emirates, Kuwait and Oman, starting from December 18, a Chinese Foreign Ministry spokesman announced at the weekly newsbriefing here today.

Yang is invited by President Muhammad Husni Mubarak of the Arab Republic of Egypt, President Zayid Bin-Sultan Shaykh al Nuhayyan of the United Arab Emirates, Amir Jabir al-Ahmad al-Sabah of the State of Kuwait and Sultan Qabus Bin Sa'id of the Sultanate of Oman, the spokesman said.

China maintains good relations with the four countries, the spokesman said. President Yang Shangkun's forthcoming visit will surely promote the understanding and friendship between the Chinese people and the people of the four countries and strengthen the existing friendly relations and cooperation between China and the four countries.

Impact of German Reunification on Europe Viewed

HK0612034789 Hong Kong TA KUNG PAO
in Chinese 6 Dec 89 p 2

["Political Talk" by Shih Chun-yu (2457 0689 3768):
"NATO Summit Supports Reunification of Germany"]

[Text] After the end of the U.S.-Soviet summit meeting, NATO and the Warsaw Treaty Organization held their own meetings respectively to discuss the influence of U.S.-Soviet cooperation over Europe. NATO's General Manfred Woerner said: The reunification of the two Germanys will be realized within the scope of the EC and NATO. His remarks have clearly shown that NATO's summit meeting has supported the reunification of Germany in principle. This is another new change in the future development of the political situation in Europe which merits people's attention.

Yesterday, West German Foreign Minister Genscher held a 3-hour talk with Soviet Foreign Minister Shevardnadze, which was concerned with the reunification of Germany. Recently, the Soviet Union has no longer opposed the reunification of the two Germanys. This demonstrates that the reunification of the two Germanys has become a practical problem facing the future of Europe.

U.S. President Bush held a press conference on 4 December after attending the NATO summit meeting held in Brussels. At the press conference, he stated that the United States supported the reunification of Germany under the following four preconditions: 1. The reunification of Germany must be realized on the basis of respecting national rights of self-determination. 2. It must be coordinated with NATO and the enlarged Common Market, and respect the laws and obligations with the allies. 3. It must be realized in a peaceful way and stage by stage on the basis of the security of all Europe. 4. Regarding boundary lines, strict maintenance of the status quo as stressed by the Helsinki Declaration (1975) must be respected.

The above-mentioned four preconditions can reassure some countries like Great Britain, France, and so on which suffered from the external expansion of Nazi Germany during World War II. Even though Germany will be reunited one day, it will not become a military power.

When French President Mitterrand talked about German reunification earlier, he stated that the rights of national self-determination of Germany must be respected, and that France did not fear the reunification of Germany. However, at the current NATO summit meeting, Mitterrand reminded all participating countries once again: "National boundary lines of Europe set after World War II cannot be changed." What he referred to was a piece of German territory which was annexed by Poland after World War II. The old scores must not be brought up again. Otherwise, there will be endless quibbling over side issues.

Great Britain, France and other countries are also worried about the possibility that after the reunification, Germany will become an economic power both in Europe and the world. Actually, Japan is also threatened to a certain extent by the economic prospects after the reunification of the two Germanys. According to the four preconditions mentioned above, the reunification of Germany will be gradually achieved stage by stage in a peaceful way within the scope of the EC and NATO. With these preconditions set, the reunification of Germany is not a thing to be feared. On the contrary, with the elimination of the boundary line between East Germany and West Germany, Europe will become a united Europe, and the influence of the United States and the Soviet Union in Europe will also decline. Europe without a cold war will certainly achieve a new development.

In Brussels, Bush pointed out: In the future, the political and economic role of NATO will be considerably strengthened. According to the spirit of national self-determination, the picture of a new Europe and a new Atlantic will materialize.

The detente achieved by the current U.S.-Soviet summit meeting will enable NATO and the Warsaw Treaty Organization to gradually change their nature of military confrontation, and to promote cooperation and consultation to achieve the ideal of establishing a united and peaceful Europe. However, in the actual practice of fulfilling the ideal, mutual confrontation, suspicion, and distrust accumulated over scores of years cannot be eliminated all at once. NATO's summit meeting still stressed the core of safeguarding the security of the West. This implies that "me at the core" will still play a predominant role, and that Eastern Europe must conform with the development of the situation in NATO.

If one side distrusts the other, there will be new obstacles to the disarmament of the East and the West, and to the reduction of conventional forces in Central Europe. It is impractical to be too optimistic about the achievements of the U.S.-Soviet summit meeting.

Official Addresses GATT Meeting, Urges Equality

OW0612165689 Beijing XINHUA in English
0209 GMT 6 Dec 89

[Text] Geneva, December 5 (XINHUA)—International economic cooperation should be strengthened on the basis of equality and mutual benefits, a Chinese official said here today.

Addressing the annual meeting of the contracting parties of the General Agreement on Tariffs and Trade (GATT), Fan Guoxiang, chief of the Chinese observer delegation, said that states should make their own choice as to what economic system suits their domestic circumstances and development needs.

"It would run counter to the principles of state sovereignty and basic norms of international relations, if a certain economic system and development pattern were imposed on the others," he said.

Speaking about the Uruguay round of multilateral trade negotiations, Fan noted the sharp imbalance among the negotiating groups.

While there were quick developments in some groups, he said, progress was extremely slow in the negotiations on "market access" which were of great importance to developing countries.

"As small and weak trading partners, the developing countries' status and legitimate interests in GATT are challenged," he said.

He expressed the hope that the imbalance in the negotiations would be overcome next year by keeping to the objectives and general principles by which they were governed.

IMF Head Praises Economic Reform Policies

HK2811041789 Hong Kong HONGKONG STANDARD
(BUSINESS STANDARD) in English 28 Nov 89 pp 1, 3

[By Andrea Pawlyna]

[Text] China was apparently succeeding in efforts to get a grip on its economy and had done so without seeking financial help from the International Monetary Fund [IMF], the head of the organisation said yesterday.

Their rate of inflation had gone down from "25 percent to 10 to 12 percent," he said.

"This is an important and positive development," declared Michel Camdessus, managing director of the IMF.

"I hope the authorities will be successful in these stabilisation policies and be encouraged to go ahead with their programme of economic reform."

Mr Camdessus, who was in Hong Kong to address the Asia Association of Management Organisations, also came out strongly in favour of Hong Kong's link with the U.S. dollar.

"It makes good sense for (Hong Kong) to have a strong relation with the central currency of its dominant export market," he said.

Mr Camdessus said that a team of IMF staff members had recently returned from China and was compiling a detailed report on the country's economic situation.

Each of the 152 countries which belonged to the IMF was subject to the same annual review, he explained.

He said that China had not sought IMF financing because of its "strong reserves and good balance-of-payments position."

"It has not been necessary for China to ask for our support," he said, while acknowledging that the IMF provided technical assistance to the country.

Downplaying fears of what would happen to Hong Kong in 1997, the former head of France's central bank spoke reassuringly about the future.

"Hong Kong is now a major international financial and trading centre. It has a vocation to keep this role after 1997 ... I see every reason for this role to continue," he said.

Mr Camdessus said that it was in China's best interests not to tamper with Hong Kong's successful economic formula. Hong Kong's role in the development of

Guangdong province, which has become the country's brightest economic showcase, offered additional proof.

Guangdong leads the country in foreign trade, with about \$121.68 billion worth of goods traded during the first six months of the year, about 42 percent of China's total. Most of that is with Hong Kong.

The peaceful revolutions now taking place among countries in Eastern Europe is currently an important focus of attention for the IMF.

"This is one of our priorities at the present time. These economies have embarked on major programmes of economic reform," he said, going from centrally planned to market-based systems.

"They have asked us to assist them in this process."

Closer to the region, Mr Camdessus said that Vietnam was slowly pulling itself out of the economic stagnation wrought by years of war.

He maintained that he was "impressed" by the country's efforts to reduce its debt and control inflation.

But financial support would not be forthcoming from the IMF until Vietnam settled its accounts with the organization, he noted.

Police Recruited To Meet Asian Games Need

OW0412102289 Beijing Television Service
in Mandarin 1400 GMT 1 Dec 89

["Beijing Recruits New Police Force To Greet the Asian Games"—caption on screen—read by announcer]

[Text] [Video begins with shots of a large crowd of people milling in front of the gate of a red-colored ancient building, cutting to show shots of personnel in olive green uniform answering questions, shots of a streamer with characters that read "Xicheng District Sign-up Station," and shots of crowds of people standing under red streamers with characters that read "Chongwen District Cadres-Recruitment Station" and "Xuanwu District Sign-Up Station." Many people are seen studying pictures hanging on the wall.]

In order to intensify public security during the Asian Games next year, the personnel and public security bureaus of the Beijing municipal government are recruiting new policemen. Today they set up counters at the the Cultural Palace of the Working People to provide consultative services and accept sign-ups.

Personnel of the two bureaus answered young aspirants' questions concerning the nature and mission of the public security force as well as other questions relevant to the recruitment.

Soviet Union

Zheng Tuobin Meets Labor Delegation

OW0712082789 Beijing XINHUA in English
0715 GMT 7 Dec 89

[Text] Beijing, December 7 (XINHUA)—Zheng Tuobin, Chinese minister of foreign economic relations and trade, met here this morning with a Soviet delegation led by Viktor M. Buynovskiy, vice-chairman of the Soviet State Committee for Labor and Social Questions.

There are bright prospects for the Sino-Soviet cooperation in labor services, Zheng said to the Soviet guests, adding that the two countries should promote the cooperation in this regard.

Buynovskiy arrived here November 30 at the invitation of the Ministry of Foreign Economic Relations and Trade for negotiations with Chinese departments concerned on drafting a principal agreement on sending and receiving Chinese citizens to Soviet enterprises and organizations.

After their arrival in China, the Soviet guests visited Shanghai and southeast coastal city of Xiamen, showing great interest in what has been achieved in China's reforms and opening to the outside world and the development in China's special economic zones.

Hebei Vice Governor Meets With Delegation

SK0612235589 Shijiazhuang HEBEI RIBAO
in Chinese 14 Nov 89 p 1

[Text] On the afternoon of 11 November, Vice Governor Song Shuhua met with a Soviet economic, technological and trade delegation from Leningrad Oblast, led by (Salykov) at Guoji Building in Shijiazhuang. The delegation was invited to visit our province by the provincial commercial and foreign barter trade company.

During the meeting, Vice Governor Song Shuhua recalled the situation in leading a delegation to visit Leningrad Oblast in April this year and was pleased with the progress of barter trade between the two sides. He also said that Hebei Province's door of reform and opening up will always be open wide. He welcomed more Soviet friends to come to the province for sightseeing and visits and to establish trade contacts in an effort to strengthen understanding, improve friendship, and better develop cooperation.

Delegation leader (Salykov) said: Through this visit, we have deepened our impressions of the great China. He said that in the future they would carry out economic and technological cooperation with our province in a better manner.

Northeast Asia

Deng, Kim Il-song Said to Clash Over Reforms

HK0712002389 Hong Kong SOUTH CHINA
MORNING POST in English 7 Dec 89 p 1

[By David Chen]

[Text] The Senior Chinese leader, Mr Deng Xiaoping, and North Korea's President, Mr Kim Il-song, have disagreed sharply on the course of reforms and opening up to the outside world.

They also differed on the way the Koreans, North and South, will participate in the Asian Games to be held in Beijing.

The North would like to compete under one name. China disagreed because under Olympic rules the two teams are separate bodies, a point that is not lost on those who watch China's close adherence to international rules.

Mr Kim told Mr Deng that he, too, would step down soon. However, he would take up an honorary title and while his son, Mr Kim Chong-il, took over the helm of the North Korean ship, he would be around to oversee matters.

The talks took place at the same time as the fifth plenary session of the party Central Committee in early November, where the economy and Mr Deng's military post were the focal points of discussion.

Observers noted that Mr Kim's visit reflected the serious concern shared by both Beijing and Pyongyang over developments in Eastern Europe.

The importance both governments attached to the visit was also revealed when Mr Deng personally welcomed Mr Kim as his train, which travelled from Pyongyang, arrived at Beijing station. Previously, Mr Deng—because of his age and prestige—shunned welcoming guests at airports and other points of arrival.

Mr Kim spent only three days in Beijing, but in the brief period held several meetings with top Chinese leaders.

In the last of the series of engagements, Mr Deng and Mr Kim reviewed the world situation, the developments, political and economic, in China and North Korea and the changing environment in Northeast Asia, sources said.

Mr Kim fully supported the Chinese for the suppression of the pro-democracy movement and pointed to the adverse developments—to the socialist cause—in Eastern Europe when the regimes there failed to apply force, sources said.

Mr Kim argued strongly that recent developments in Eastern Europe sounded a serious warning to all socialist countries that too much of an open door and reform policy was detrimental to the socialist cause.

He said Pyongyang and Beijing should draw a lesson from that experience and clampdown, or at least slow down, on reforms.

Mr Kim, who enunciated the "chuche" (self-reliance) principle for his country, was never a disciple of reforms and market economy.

Mr Deng, the sources said, was determined that the reforms he pioneered should go on, although he also stressed the need to uphold the four cardinal principles of defending Marxism-Leninism.

Sources said that although the two leaders disagreed on the issue of reforms, both were seriously concerned with the rapidly evolving situation in Eastern Europe and felt that solidarity among the remaining socialist countries adhering to the Marxist concept was paramount.

The sources said Mr Kim was also concerned about China's increasing contacts with South Korea, which have, however, tapered off since the June 4 crackdown.

Despite the differences between the two sides, Beijing and Pyongyang are believed to have concluded fresh deals on economic cooperation. The sources, however, declined to disclose the extent of such cooperation.

DPRK Army Political Delegation Visits

General Hosts Banquet

OW0512184289 Beijing XINHUA in English
1510 GMT 5 Dec 89

[Excerpts] Beijing, December 5 (XINHUA)—Major General Zhou Wenycan, deputy director of the General Political Department of the Chinese People's Liberation Army (PLA), hosted a banquet here this evening to welcome a political work delegation from the Korean People's Army (KPA). [passage omitted]

The delegation is scheduled to visit Nanjing and Guangzhou, two of the major cities in south China.

Qin Jiwei Meets Group

OW0612155189 Beijing XINHUA in English
1122 GMT 6 Dec 89

[Text] Beijing, December 6 (XINHUA)—General Qin Jiwei, Chinese state councillor and minister of national defence, hosted a banquet here this evening in honor of a political work delegation from the Korean People's Army (KPA).

Headed by Major General Won Myong-gyun [name as received], deputy director of the General Political Bureau of KPA, the delegation arrived here yesterday at the invitation of the General Political Department of the Chinese People's Liberation Army.

Japanese Journalists Interview Li Ruihuan*OW0712115289 Beijing XINHUA in English
1143 GMT 7 Dec 89*

[Text] Beijing, December 7 (XINHUA)—Li Ruihuan, Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, met with a Japanese journalists delegation in the Great Hall of the People today.

During the meeting, Li answered questions on China's domestic situation, the international situation, and China's relations with Japan and the United States.

Headed by Shigeyuki Wakabayashi, assistant political news editor of the CHUNICHI SHIMBUN, the delegation arrived here last Tuesday at the invitation of the Chinese Foreign Ministry. The delegation interviewed Chinese Vice-Foreign Minister Zhou Nan and visited Qinghua University in the past two days.

Official Hopes for Continued Japanese Funding*OW0612133089 Beijing XINHUA in English
0933 GMT 6 Dec 89*

[Text] Beijing, December 6 (XINHUA)—A senior Chinese official said here today that he hoped China and Japan would continue their gratuitous fund assistance cooperation which began in 1983.

The official from the Chinese Ministry of Foreign Economic Relations and Trade expressed the hope in an interview with XINHUA this morning when asked to comment on an agreement on this regard signed Tuesday.

The new agreement on Japan's 1989 offer of some five billion Japanese yen (about 35 million U.S. dollars) to China was officially signed Tuesday in Beijing between the governments of the two countries.

The signing of the agreement was originally scheduled for early June, according to the official.

Shen Jueren, Chinese vice-minister of the foreign economic relations and trade, and Hiroshi Hashimoto, Japanese ambassador to China, signed the agreement on behalf of their respective governments.

The Japanese money will be used to equip the Beijing TV station (three billion Japanese yen), the Shanghai No. 6 People's Hospital (1.6 billion yen) and a nurse training school in the Ningxia Hui Autonomous Region (0.133 billion yen) and to update the equipment for youth scientific and technological education in Ningxia (0.135 billion yen).

Near East & South Asia**CPPCC Official Condemns Israeli Tactics***OW0612135389 Beijing XINHUA in English
1253 GMT 6 Dec 89*

[Text] Damascus, December 6 (XINHUA)—A senior Chinese official denounced the savage destruction of the Syrian town of Qunaytirah by Israel and its repressive practices against the Palestinian uprising in the occupied Arab territories.

In a meeting with 'Abdallah al-Ahmar, assistant secretary-general of the Arab Socialist Ba'th Party last night, Han Kehua, head of a delegation of the Chinese People's Political Consultative Conference [CPPCC], affirmed that China supports the Arab cause and Syria's constant efforts to defend its independence.

Al-Ahmar also affirmed that Syria is committed to support the struggle of the Palestinian people to win their inalienable and legitimate rights and to establish a just and comprehensive peace in the Middle East through a U.N.-sponsored international conference.

Syria is committed to support the Lebanese people and the Lebanese legitimacy, he said.

Over the past two days, the Chinese delegation has held a series of meetings and talks with Syrian Prime Minister Mahmud al-Zu'bi, People's Assembly Speaker [Abdal-Qadir] Qaddourah and other Syrian officials on ways of developing bilateral relations between the two countries, as well as issues of mutual concern.

The Chinese delegation arrived in Damascus on December 3.

3 Pakistanis Sentenced in Shanghai for Smuggling*HK0712044489 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1205 GMT 3 Dec 89*

["Three Pakistanis Were Sentenced for Smuggling Counterfeit Greenbacks into China"—ZHONGGUO TONGXUN SHE headline]

[Text] Shanghai, 3 December (ZHONGGUO TONGXUN SHE)—Yesterday, three Pakistanis were sentenced by the Shanghai Intermediate People's Court to 10 years' imprisonment and 9 years' imprisonment respectively for smuggling counterfeit greenbacks into China.

During their stay in Hong Kong, the three defendants: Taixier Amier [3141 6007 1422 7093 4717 1422], Paweize Aketa [1584 4850 3419 7093 0344 1044], Halide Pawei [0761 4539 1795 1584 5898] bought a large amount of counterfeit \$100 banknotes. In November, 1988, Paweize, Aketa and Halide Pawei twice smuggled a total of \$15,000 counterfeit greenbacks into China and sold them for a profit in Guangzhou. Again, in this January, the three defendants jointly

smuggled a total of \$30,000 counterfeit greenbacks into China on three separate occasions and exchanged those counterfeit greenbacks for the Renminbi yuan in Guangzhou and Shanghai. However, they were later discovered and arrested by the Shanghai police.

During the court trial, the first defendant chose to defend himself whereas the second and third defendants were defended by their respective lawyers.

The court held that the three defendants, in complete disregard of China's law, had, on several occasions, jointly smuggled counterfeit foreign currency into China, resold them for a profit, exchanged them for the Hong Kong dollar, and then smuggled the Hong Kong dollar out of China, thus having committed the crime of smuggling and the crime of defrauding. Therefore, in accordance with China's law, the court sentenced Taixier Amier to 10 years' imprisonment, Paweze Aketz to 10 years' imprisonment, and Halide Pawei to 9 years' imprisonment. All the counterfeit greenbacks captured by the Shanghai police will be confiscated by the court. And all the renminbi yuan in the possession of the three criminals must be surrendered to the court.

West Europe

Embassy Condemns French Prize for Dalai Lama

OW0712004689 Beijing International Service
in Mandarin 0900 GMT 6 Dec 89

[Text] A newly-established French Memory Prize Committee gave the Dalai Lama a so-called Memory Prize on 4 December. This action, a serious interference in our country's internal affairs, has caused the concern of the Chinese Embassy in France.

Tibet is an inalienable part of China's territory. The Dalai Lama is a (?separatist), who has long engaged in dividing the motherland and undermining national unity.

Earlier, the Chinese Embassy in France made more than one representation to the French departments concerned through diplomatic channels. But, some French people still insisted on awarding the Dalai Lama a prize, alleging that it was in recognition of his contribution to the protection of Tibetan culture.

Madame [fu ren] Danielle Mitterrand serves as honorary chairman of the the Memory Prize Committee.

According to reports, in Paris on 4 December, the Dalai Lama visited a so-called Never-Forget-the-Tiananmen-Incident Art Exhibition, sponsored by some groups in France supporting the Front for Democracy in China. The Dalai Lama claimed that he would continue to support prodemocracy elements in opposing the Chinese Government.

State Recalls Ambassador to Norway

LD0512152989 Stockholm Domestic Service
in Swedish 1130 GMT 5 Dec 89

[Text] China has resolved to recall its ambassador from Norway, just a few days before the Nobel Peace Prize is due to be awarded to the Tibetan spiritual leader, Dalai Lama. China has strongly protested the decision to give the Dalai Lama the peace prize. The protests refer to the fact, among other things, that King Olav will be present at the award ceremony. The Chinese Embassy in Oslo reports that the ambassador's return home has nothing to do with the Dalai Lama's visit to Oslo.

Belgian Business Groups Call for Ending Sanctions

OW0212131589 Beijing Domestic Service in Mandarin
0300 GMT 24 Nov 89

[Text] The Belgian-Chinese Economic and Trade Association and the Antwerp Chamber of Industry and Commerce jointly sponsored a seminar on China's economy and foreign trade at the Antwerp provincial government office on 23 November.

People from Belgian business and trade circles spoke one after another in favor of resuming and strengthening economic and trade exchanges with China.

Mr (Reedham) [name as received], chairman of the Belgian-Chinese Economic and Trade Association, said: Immediately after the EC summit in Madrid adopted the decision to impose economic sanctions against China, the Belgian-Chinese Economic and Trade Association issued a statement urging the Belgian Government to lift its economic sanctions against China, as economic sanctions would hurt the economic interests of both parties.

(Monfeirs) [name as received], roving ambassador of the Belgian Ministry of Foreign Trade, said: China is a socialist country. People who have visited China cannot deny the fact that socialism has brought China basic equality, prosperity, and stability. Developing the economy in a country with a population of 1 billion is not an easy task. The problems that have emerged in China are inevitable in the course of reform, but these problems are temporary. We are full of confidence about the prospects for China's development. He urged foreign investors and bankers to boldly do business with China, because China keeps its word.

Attending the seminar were more than 100 people from economic and trade circles from Belgium, France, and The Netherlands. The governor of Antwerp also received the Chinese ambassador. A delegation from the Chinese Association for the Advancement of Trade also attended the seminar.

East Europe

Envoys Seek New East Europe Contacts

HK0712003389 Hong Kong HONGKONG STANDARD
in English 7 Dec 89 p 1

[By Cheung Po-ling]

[Text] Chinese ambassadors in Eastern Europe are making contact with the budding political forces there, while Chinese officials in Beijing are distancing themselves from East Bloc representatives, said diplomatic sources.

"They (the Chinese ambassadors) have been actively approaching the new ruling parties in Eastern European countries to get the latest picture about the dramatic reforms," said an East European diplomat yesterday in Beijing.

"Through the exchanges we know that China is not happy with the ideological changes of those socialist countries, but continues links on the basis of state-to-state relationship as with Western European nations," he said.

"Some Chinese officials are being discouraged from maintaining too close a link with Eastern Europe since what has happened there may have possible influences on China."

The diplomat noted that Chinese counterparts who usually greeted him as "comrade" were now addressing him as "Mr" instead.

Another diplomatic source said Chinese officials and party members in Beijing were trying to keep diplomats from East Germany, Poland and Hungary at arms length.

Meanwhile, a special group set up under the State Council to review China's relationship with Eastern Europe is striving to formulate an analysis of events there in order to give the public an ideological explanation.

The group, which is responsible to Premier Li Peng, was established in mid-October.

According to an informed source, the final blueprint has not been hammered out yet as the situations of Poland, Hungary and East Germany change every day.

"The situation is so unstable that nobody knows where things stand."

He said he thought the Chinese were holding a wait-and-see approach until the picture became clearer.

"This explains why senior Chinese officials have only given their comments on radical reforms introduced in these countries based on Beijing's five principles of peaceful co-existence with other countries," he said.

Chinese leaders have rarely touched on areas such as ideology and the future of socialism in Europe. "However, they have to face these problems and try to address them publicly," he said.

In a recent talk with visiting Thai dignitaries, party general-secretary Jiang Zemin said that "whatever system a country adopts it should be decided by the people of that country".

Chinese sources said although none of the ambassadors had been recalled to Beijing, some are due to return during the Lunar Chinese New Year next month and would brief Chinese leaders.

East European diplomats in Beijing said Chinese colleagues in their countries had to give a daily report about the changes to the Chinese leadership.

Commentator on Rehabilitation of Prague Spring

HK0712064789 Hong Kong TA KUNG PAO
in Chinese 7 Dec 89

["Political Talk" by Shih Chun-yu (2457 0689 3768):
"Warsaw Pact Countries Eventually Admit Their Mistake in Invading Czechoslovakia"]

[Text] Leaders of five Warsaw Pact countries—Bulgaria, Hungary, the German Democratic Republic, Poland, and the Soviet Union—that sent their tanks into Czechoslovakia 21 years ago crushing the student and intellectual unrest—known as the Prague Spring—at a stroke, issued a joint declaration in Moscow on 4 December, admitting that their armed invasion of Czechoslovakia in August 1968 "constituted interference in the internal affairs of a sovereign country," and saying that "the action should be criticized." In addition, the Soviet government issued a separate statement admitting that "the decision made at that time to send troops to Czechoslovakia was mistaken."

Accordingly, the Czechoslovakian event that rocked the world more than 2 decades ago was eventually righted. In fact, it is known to all that the mastermind behind the invasion was Brezhnev. China's former Premier Zhou Enlai accused the Soviet Union of practising "social imperialism," showing China's position on this event was correct.

The meaning of the joint declaration is not limited to redressing a mishandled case. What is more meaningful is that Gorbachev is trying to make the rehabilitation a new departing point for his policies toward countries in Eastern Europe or even the whole of Europe, by pulling out the thorn in the Soviet Union's side, which has impaired its image for 21 years. Therefore, the situation is sure to develop further.

In 1968, the Soviet dictator Brezhnev flaunted the banner of "limited sovereignty" while invading Czechoslovakia. While sending troops to Czechoslovakia himself, he ordered the other four countries in the East

European bloc to act likewise. He gave an admonitory talk to the then leadership of the Czechoslovak Communist Party headed by former General Secretary Alexander Dubcek, who was an enthusiastic advocate of reform: "The western territory of Czechoslovakia is not only your territory, but also territory of the whole socialist camp. It is the fruit of World War II won by the Soviet Union at a high price, therefore, the Political Bureau of the Central Committee of the CPSU has no right to do harm to the fruit."

We can afford to let Brezhnev's statement pass without remark, because the lame and illogical arguments he used are very clear. At that time, public opinion all over the world criticized the Soviet Union, and demanded the immediate withdrawal of its troops from Czechoslovakia. The Soviet Union ripped off its mask as a "peace-loving socialist country" by itself, making a laughing-stock of itself before the entire world. But instead of repenting and starting anew, Brezhnev sent his troops into Afghanistan in 1979, infringing upon a foreign country's sovereignty and endangering its people's lives and property in the interest of the Soviet Union's "stability." The above two incidences showed that the Soviet Union under the leadership of Brezhnev had long ago departed from the socialist path, turning into a social imperialist superpower.

Gorbachev has tried his best to improve the Soviet Union's image since he came into power. He withdrew Soviet troops from Afghanistan first, and now he has

announced the rehabilitation of the "Prague Spring", admitting their mistake. Though the event took place 21 years ago, Gorbachev can be considered a gentleman and deserves the praise of world opinion.

Gorbachev has made it a rule that the Soviet Union will no longer interfere in the internal affairs of Eastern European countries, and the future and destiny of those countries will be determined by their own people. Recently in the Soviet Union, the invasion of Czechoslovakia has come under fire. The MOSCOW NEWS, which is most popular and vigorously supports reform, said: The invading Soviet troops smashed at one stroke the "Prague Spring," which attached importance to man's value. If Brezhnev had not nipped the reform in Prague in the bud, the Soviet Union and Eastern European countries would have fared much better today.

In his own article in PRAVDA, Gorbachev said that the new socialism the Soviet Union he is setting up is "socialism valuing man." Since Warsaw Pact countries have admitted their mistake in invading Czechoslovakia, the Soviet Union should naturally withdraw its 75,000 soldiers that have stayed ever since. On 4 December, leaders of the Soviet Union and Czechoslovakia held talks on the timing of troop withdrawal and other concrete issues. If the Soviet Union does withdraw its troops from Czechoslovakia, the United States will be compelled to cut or withdraw its troops from Europe. The ensuing change in the situation in Europe will all the more merit our attention.

Political & Social

Jiang Zemin Gives Speech on Mass Media Work

OW2911195389 Beijing XINHUA Domestic Service
in Mandarin 1345 GMT 29 Nov 89

[By reporter Zhu Weixin (2612 4580 2450)]

[Text] Beijing, 29 Nov (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, pointed out to the press circle here on 28 November that as an important component of our ideology, socialist media work must uphold the basic policy of serving socialism and the people. He said: In upholding this basic policy in the new historical period, media work must firmly, fully, and correctly publicize the party's basic line, publicize the theory and policy decisions of building socialism with Chinese characteristics, and publicize the achievements and experience of the people of all nationalities across the nation in carrying out modernization, reform, and opening.

He further elaborated: Currently, the masses of cadres and people are implementing the guideline of the 4th and 5th Plenary Sessions of the 13th CPC Central Committee. Media units must plan and carry out their journalistic and propaganda work by closely centering on the task of safeguarding and developing the political situation of stability and unity; improving the economic environment; rectifying the economic order; deepening reform; bringing about a sustained, stable, and harmonious development of the national economy; and promoting socialist spiritual civilization.

Comrade Jiang Zemin yesterday cordially met with and addressed the comrades attending the national symposium of chief editors of provincial, autonomous regional, and municipal party newspapers on the work of mass media. The symposium is sponsored by the Propaganda Department of the CPC Central Committee.

Present at the symposium were Li Ruihuan, member of the standing committee of the Political Bureau of the CPC Central Committee, and responsible comrades of the departments concerned: Gao Di, Zhu Muzhi, Wang Weicheng, Liu Zhongde, Mu Qing, and Ai Zhisheng. Wang Renzhi, director of the Propaganda Department of the CPC Central Committee, presided over the meeting.

Newspapers, Radios and Televisions Are the Mouthpiece of the Party, Government, and People

In his speech, Comrade Jiang Zemin first dwelled on the position and function of mass media work. He said: Our party has always attached great importance to media work and regarded the nation's newspapers, radios, and television as the mouthpiece of the party, government, and people. This explains not only the nature of media work, but also its extreme importance and functions in party and state work.

Comrade Jiang Zemin pointed out: Since the 3d Plenary Session of the 11th CPC Central Committee, our mass media work has developed rapidly. Media units have made great contributions in creating order out of chaos, redressing "leftist" mistakes, shifting the emphasis of party work to economic construction, upholding the cardinal principles, adhering to reform and opening, and pushing forward socialist modernization. They have played an important role in publicizing and implementing the party's line and the series of party principles and policies. The achievements we have made over the past 10 years, feats that have attracted worldwide attention, embody the hard work and efforts of the vast number of media workers. We must fully affirm it. However, we must be soberly aware that the ideological trend of bourgeois liberalization has run unchecked in the past few years and led to the turmoil and counter-revolutionary rebellion at the turn of spring and summer this year. This has exposed many problems, some very serious, in media circles. Instead of exposing and criticizing bourgeois liberalization and stopping the turmoil, certain media units provided a forum for the instigators and supporters of the turmoil and rebellion, thus stirring up the turmoil and adding fuel to the flame of the rebellion. This has caused great ideological confusion among the masses. This negative example also serves to illustrate the extreme importance of media work. It shows how much harm and what tremendous losses will be caused if something serious goes wrong with media and propaganda work, if the propaganda machine is not in the hands of genuine Marxists, and if the media does not provide guidance in accordance with the wishes and interests of the party and the people.

He said: Since the 4th Plenary Session of the 13th CPC Central Committee, the situation on the media front has been good. The vast number of media workers have actively publicized the party's and government's principles and policies and made their due contributions in quickly stabilizing the national situation and advancing work in all areas. Those units which provided erroneous media guidance have turned around. The question now is to calmly reflect on what went wrong, earnestly sum up the experience, and draw lessons from it. The task of summing up experience must be further deepened. We must not merely go through the motions or carry it out in a superficial and perfunctory way. The lesson to be drawn is indeed profound. The damage done to the cause of our party and state is indeed tremendous. We must not allow it to be repeated.

Comrade Jiang Zemin said: International hostile forces are stepping up their strategy of "peaceful evolution" against socialist countries. Some Western nations are continuing their "economic sanctions" against China. Our national economy is faced with many difficulties. A number of people who stubbornly stick to the stand of bourgeois liberalization are waiting for an opportunity to go into action; some of them have yet to cease their activity. In the face of this complicated situation at home and abroad, Comrade Xiaoping has reminded us once

and again: The most important thing is national stability. Stability is the overriding task. As Comrade Mao Zedong said: In times of difficulty, we must not lose sight of our achievements, we must see the bright future, and we must pluck up our confidence and courage. Currently, we should pay special attention to conducting education in patriotism, socialism, collectivism, independence, self-reliance, hard struggle, and building the nation through thrift throughout society. We should also inspire the people's national pride and confidence, enhance their spirit to overcome the difficulties with one heart and one mind, and constantly advance China's construction, reform, and opening. In this regard, the CPC Central Committee places high hopes on the vast number of media workers. It is hoped that you will fully display your enthusiasm and creativity, and contribute your wisdom and intelligence.

Party Character and Principles Must Be Upheld in Media Work

Then, he discussed the question of party character in media work. He said: Our media work is an important component of the entire party cause. Therefore, it goes without saying that it must uphold party character and principles. However, in recent years, some people have even begun to have doubts on this fundamental question. Some went so far as to advocate that the so-called public character should take precedence over party character.

He said: Our party is the vanguard of the working class and it represents the fundamental interests of the working class and the broadest possible masses of the people. It does not have any selfish interests of its own, except those of the working class and the masses of the people. Upholding party character and principles is exactly upholding the fundamental interests of the working class and the masses of people. The two are completely united. Putting "public character" ahead of party character means, in essence, negating and opposing party leadership over media work.

Comrade Jiang Zemin emphasized: Upholding party character and principles requires mass media and propaganda to maintain political unity with the party Central Committee. Party papers at all levels, as well as papers run by departments, and trade papers must do so. Although some news stories themselves do not contain any political connotation, it is impossible for the overall propaganda of any newspaper, radio, or television station to be divorced from politics. Certainly, requiring propaganda and mass media to maintain political unity with the party Central Committee propaganda does not mean mechanical parroting of political slogans. Rather, it requires them to keep to the stand of the party and people and, by way of diverse forms, to accurately and vividly reflect and instill the party's political standpoint, principles, and policies into news stories, newsletters, commentaries, photos, headlines, and layout.

Comrade Jiang Zemin pointed out: In upholding the principle of party spirit, journalists should maintain the

most extensive and penetrating ties with the masses of people to draw wisdom and strength from their practice. This is precisely what many outstanding journalists have been doing in recent years. They have written a host of brilliant works reflecting the masses' historical creative activities, winning praise from the people. However, there are indeed some journalists who have failed to earnestly reflect soul-stirring deeds of the broad masses of workers, peasants, intellectuals, and commanders and fighters of the Liberation Army, who have worked and dedicated themselves selflessly to construction and reform. Such journalists even competed with each other in using weird language and writing style, thereby becoming increasingly divorced from the masses.

He said: I would like to take this opportunity to express an ardent desire to all journalists: Go deep into life, immerse yourselves in the masses, and earnestly learn from them, from their fine qualities, valuable experience, immense knowledge, and lively language to strive to become journalists very popular among the masses.

He also pointed out: In upholding the principle of party spirit, it is also necessary to take an unequivocal and persistent stand against bourgeois liberalization. There were several ups and downs in the struggle against bourgeois liberalization in recent years, resulting in the escalation of the ideological trend of liberalization, and finally leading to the recent turmoil and counterrevolutionary rebellion. As one need not look far for a lesson, our journalists and all party comrades must always bear in mind this bitter lesson. If the ideas of socialism do not occupy the ideological realm, it will be occupied by the ideas of capitalism. This is a truth which should become a motto for all journalists and propaganda workers. From now on, our newspapers, periodicals, and radio and television stations should never be allowed to provide the grounds for bourgeois liberalization. All press units should seriously and actively organize forces, on the basis of their readership spectrum, in writing a number of convincing and high quality articles to repudiate views on bourgeois liberalization advocated by a very small number of people in recent years. Press units should also work to straighten out the ideological confusion among the people caused by those erroneous, reactionary views. Marxism should be upheld and developed in the course of struggle. Only by overcoming the erroneous will it facilitate the establishment and development of the correct. Only by conducting such serious scientific criticism can we unify our understanding, strengthen unity, and stabilize the overall situation.

Absolute and Unlimited "Freedom of the Press" Never Existed in Any Country

Turning to the so-called "freedom of the press," advocated by some people, Comrade Jiang Zemin explicitly pointed out: In recent years, "freedom of the press" has become a major slogan used by a handful of diehard advocates of bourgeois liberalization in struggling against the party and the people. He said: Any kind of freedom is never abstract but concrete; it is not absolute,

but relative. Absolute and unlimited "freedom of the press" never existed in any country. With the confrontation between socialism and capitalism remaining worldwide, and class struggle continuing to exist within a certain scope domestically, freedom cannot but have a class character.

He said: Under the socialist system, news media is no longer a private undertaking but an undertaking of the party and the people. Our Constitution stipulates that freedom of speech and publication is a fundamental right of the citizens of the PRC. The broad masses of people enjoy the right and freedom to use the news media in accordance with the law to fully air their views and express their will. They enjoy the right and freedom to supervise state and social affairs through news media. Precisely to safeguard the people's fundamental interest, not only must we not grant freedom to illegal journalistic activities aimed at changing the socialist system; we should also punish them in accordance with the law.

Truthfulness in News Reporting Means Precisely To Uphold the Party's Ideological Line of Proceeding From Reality in Everything and of Seeking Truth From Facts

Comrade Jiang Zemin also spoke of the issue of truthfulness in news reporting.

He said: Truthfulness in news reporting means precisely to uphold the party's ideological line of proceeding from reality in everything and of seeking truth from facts in journalistic work. We want to frankly point out the class nature and party spirit and principle of journalistic work. This is because the class nature and party spirit of our journalistic work are consistent with truthfulness in news reporting.

He said: As a new social system in the history of mankind, socialism can hardly avoid encountering difficulties and suffering setbacks. However, it has been able to overcome all difficulties and prevail over all complications to advance continuously, displaying a vitality that cannot be vanguished. Through construction and reform, our socialist material and spiritual civilization will become more and more advanced, and our socialist system will become more and more sound and will increasingly display its superiority. The cause of our party and state is advancing full steam ahead. This demands that news media and propaganda bring to light this fundamental fact: propaganda must concentrate on the positive side. It is necessary to enthusiastically publicize the new achievements, creations, and experience of the masses of people in practice to let them realize their wisdom and power and raise their socialist initiative. It is necessary to constantly reflect the views and demands of the masses. It is necessary to ensure the opening of all democratic channels. Channels of communications should not be blocked.

He said: To be able to truthfully reflect life, our journalistic workers must conduct investigations and research in a penetrating way. Not only should they be able to report individual events truthfully and accurately; they

should also, in particular, pay attention to and be good at grasping the truthfulness of events in their totality and essence and with regard to the trend of their development. It is necessary to guard against reporting bizarre events or hearsay. It is necessary to stress real results while guaranteeing truthfulness and accuracy.

He also said: There is bright side as well as dark side in social life. We must take a clear-cut stand in exposing attempts to subvert our socialist republic and overthrow the Communist Party leadership; and we should take a clear-cut stand in matters that relate to class struggle. The purpose is to strike at the hostile forces. With regard to the shortcomings and mistakes within the ranks of the people, we should also expose and criticize them. However, such exposure and criticism are "motivated by the desire to make improvement." The purpose is to help them overcome shortcomings and correct mistakes in a comradely way. We should all warmly welcome criticisms of the shortcomings and mistakes in the party and government work, as long as they are well-meaning criticisms and are conducive to the improvement of work. After a critical report is published, it is necessary to publish the results on the handling of the matters.

The Party Should Strengthen Leadership Over News Media Work

Comrade Jiang Zemin emphatically concluded that the party should strengthen leadership over news media work. He expressed the belief that in order to strengthen party leadership over news media work, it is necessary, above all, to successfully grasp the political orientation of news media and propaganda, carry out journalistic reform, sum up the experience in journalistic work, and build up the journalistic ranks. The leadership must be firmly controlled in the hands of Marxists.

He asked party committees at all levels to constantly study and discuss news media work. For example, the principles and guiding ideology for propaganda, the stress of reporting, the effect of propaganda, and so on in a given period should all be discussed at the party committee meetings. The principle responsible comrades should take a personal interest in news media and propaganda. They should promptly inform the news media units of developments, assign them tasks, and put demands on them. They should also personally screen and approve important editorials, commentaries, and news articles. They should show great concern about the difficulties encountered by news media units and help them resolve the difficulties. They should, together with comrades of the news media, study ways to constantly raise the standards and effect of news and propaganda in order to make the newspapers and radio and television broadcasts more interesting and appealing to the readers, listeners, and viewers.

Comrade Li Ruihuan also spoke toward the end of the meeting. He said: Comrade Jiang Zemin's speech is very important. It is very significant for achieving unity in

our thinking and raising our understanding of the importance of the party's news media work. All news media units must seriously implement the guidelines of this speech.

He said: The fact that the general secretary personally spoke to the symposium on the work of news media shows that the party Central Committee attaches great importance to news media.

He asked news media workers to realize the important responsibility on their shoulders, work even harder, and make new achievements to live up to the ardent wishes of the party and the people.

Also present at yesterday's meeting of the symposium were comrades who were attending the conference of directors of the news departments of local television stations, and responsible comrades of various news media in Beijing.

Laws Published on Cadres Involved in Prostitution

OW0712094689 Beijing XINHUA in English
0908 GMT 7 Dec 89

[Text] Beijing, December 7 (XINHUA)—Details of penalties for members of the Communist Party of China (CPC) who prostitute themselves or patronize prostitutes formulated by the CPC Central Commission for Discipline Inspection were published here today.

According to the rule, or temporary provisions, any CPC member who has prostituted herself or visited a prostitute, or forced or instigated others to do so, or deliberately provided conveniences for others to do so, or connived at others doing so for payment will be expelled from the party.

Besides, any CPC member who has harbored a prostitute or a prostitute's client, has shielded related actions or has obstructed the investigation into or punishment of a case of prostitution will be given punishment heavier than removal from party posts.

The rule also stipulates that hotel authorities or leading members of other units who have not taken measures to punish prostitutes or prostitutes' clients within their units will be given disciplinary warnings.

Beijing To Begin Citywide Recruitment of Police

HK0712023489 Beijing CHINA DAILY in English
7 Dec 89 p 3

[By our staff reporter Liang Chao]

[Text] Beijing is planning to augment its police strength by broadening recruitment through a citywide open campaign, an officer for the Beijing Public Security Bureau told CHINA DAILY yesterday.

This is the first time the police have recruited through public campaign and in such a large scale. Until now, people have been appointed to their units.

Feng Xu, head of the cadre division under the bureau's political department, said that the effort is mainly aimed at ensuring the security of the 1990 Asian Games, scheduled to be held in Beijing in September next year and further improving the capital's public order.

The municipal police authorities plan to select 4,000 people, including 100 women, from the city's residents, including demobilized soldiers, workers, jobless youth graduated from high schools who are under the age of 30, as police by the end of March of next year, Feng said.

Of the scheduled recruitment, 800 will be selected from farmers living in the outskirts of the city.

Employees working at the municipal government's enterprises and institutions and under the age of 35 are also eligible, but they should be college graduates or the equivalent.

Although two examinations, one written and one oral, will be given to the job seekers, the latter might be more important than the former, Feng said.

"It is essential for the police authorities to test and judge the quality of police candidates through face to face examination rather than written test only," Feng said.

All candidates selected from the examination will be employed on a one-year-probation basis after six months strict training and then they can become full members of the police force.

The city's existing police strength, including traffic police, police authorities say, is far from enough to meet increased demand for maintaining public order in the capital with its more than 10 million population.

This time, there have been 3,300 applicants in the first three days of recruiting, Feng said, adding many of them are workers from enterprises with bad management at present.

Annually, the bureau enlists about 500 new policemen who have graduated from the city's police school or ordinary colleges and another 200 chosen from municipal institutions and 60 ex-servicemen, which just about matches the rate of natural attrition, Feng said.

Jailed Dissident Dai Qing Allowed To See Family

HK0712004189 Hong Kong SOUTH CHINA
MORNING POST in English 7 Dec 89 p 16

[By Seth Faison in Beijing]

[Text] Dai Qing, a leading writer who has been jailed since early July, was recently allowed out for an afternoon visit to her ailing father-in-law in a Beijing hospital, sources close to her family said.

Dai, who looked thin but otherwise healthy, was escorted to the hospital one day last month by two officials from Qincheng prison, and returned to her cell a few hours later.

Contrary to earlier reports, Dai had been let out of prison on bail, and the sources said her family was not expecting her to be released any time soon.

A respected writer and reporter for the GUANGMING DAILY, Dai was, until her arrest, an outspoken critic of the Communist Party on political, environmental and feminist issues.

Many Chinese intellectuals could not believe she would spend a long time in prison because of her well-known political connections, which stemmed from her upbringing as a step-daughter in the home of late marshal, Mr Ye Jianying.

Guangdong Governor, Mr Ye Xuanping, son of the late marshal, wrote a personal appeal in the summer for her early release, apparently to no avail.

The father of Dai's husband is seriously ill with cancer. In October, her husband told authorities that the elderly man had asked to see his daughter-in-law before he died.

Dai's husband was told he needed to produce detailed statements from hospital doctors to verify the seriousness of his father's condition before the request could be considered. The statements were produced, but no response given.

One day last month, Dai's husband was sitting silently with his father, when she appeared at the door with two guards and a third, unidentified official.

Dai told her husband she was being treated well in prison. He noticed that her grey hair was growing back and offered to bring her some of the hair dye she customarily used.

"I will never dye my hair as long as I remain in prison," Dai allegedly responded.

It was the first time she had seen her husband since she was arrested at their home in early July.

Dai was one of the journalists who met senior party officials to demand guarantees for greater freedom of the press.

On May 14, she made an impassioned plea for hunger-striking students to abandon their sit-in in Tiananmen Square.

She publicly resigned her membership from the Communist Party on June 4, saying she wanted to distance herself from politics and concentrate on her writing.

She apparently made no attempt to hide from the post-massacre purge that was sure to include her, and was required at the GUANGMING DAILY to write detailed reports about her activities during the spring.

She was named in Beijing mayor Mr Chen Xitong's June report that listed those intellectuals and activists considered by authorities to have engaged in serious anti-government activity.

Article Criticizes Liu Binyan, Other Dissidents

OW0512015589 Beijing GUANGMING RIBAO
in Chinese 18 Nov 89 p 4

[Article by Wei Ji (7279 7535) entitled "Not the 'Voice of China'"]

[Text] Taiwan's ZHONGGUO SHIBAO [CHUNG KUO SHI PAO] has for years run anticommunist articles by elite rebels in the mainland. According to a 10 October report by the newspaper, the "Institute for Press and Social Studies" of the University of Minnesota sponsored a "Voice of China" seminar in the school from 6 to 8 October. Seventeen people presented papers with the theme "Hasten the Birth of Freedom of the Press in Mainland China."

Of the 17, only three Chinese were mentioned in the ZHONGGUO SHIBAO report—Liu Binyan, Ruan Ming, and Yu Fanying, publisher of ZHONGGUO WANBAO [CHUNG KUO WAN PAO], who came from Taipei and represented the ZHONGGUO SHIBAO group in the seminar.

After filling their stomachs with leftovers from the banquet, the newspaper, the institute, and the Chinese haranguers—used to being toadies perhaps—all wiped their lips clean with their tongues and displayed shameless fawning. Of course, they did not forget about their ranks in the servile hierarchy.

Yu Fanying only brought up the topic to be discussed in the seminar, saying "After the Tiananmen incident, the world has understood in a more profound way that freedom of the press is an important indicator of democracy and the immediate defender of democratic movement." Because he came from Taipei, he was at the top of the servile hierarchy, even though he is only a publisher of an evening newspaper. Like the person who puts on a monkey show, he first struck the gong, cried out for customers, and opened the show. Then monkeys jumped out, opened their mouths wide, and performed somersaults.

In his speech, Liu Binyan was very upset that Chinese people "still have confidence in the Chinese Communist Party" 40 years after 1949. In his opinion, only "during the period of the Tiananmen student movement did China have real freedom of the press, which had never ever happened in the past 40 years." There indeed was some truth to it. When Liu Binyan was still in the mainland, he had met with some "Cultural Revolution" rebels in a first-class hotel in a city; with exaggeration and imagination, he bawled out at great length people whom he had never met before in a long, eloquent speech and created great havoc there. As a well-known journalist, his speech was released as it was. However, some of those who were ridiculed, as well as those who knew the truth, spoke out, and Liu was forced to sneak out of the city. Being the masters of the country, ordinary people have the right to speak up and make their grievances known, even though they know nothing about the tricks of some people who use pens to do harm to

others. This is the irrefutable evidence that for 40 years China had had no "real freedom of the press." When the turmoil began, Liu Binyan sold himself out to the "free world" for tens of thousands of U.S. dollars. Since then, he has been instructed to freely create freedom news every day in the voice of "freedom." His capability to create freely and the outrageous bizarreness of his freedom news should be entered in history books. For instance, his reports that 10 million people took to the streets to demonstrate in Beijing and more than 100 high-ranking military officers jointly opposed the imposition of martial law could be the highlights of a new "Collection of Liu Binyan's Essays on Freedom." The airiness and emptiness of the "freedom," as well as the extent to which it shows the subjective consciousness of "modern span [xian dai kua du 3807 0108 6421 1653]," is in proportion to the reward he receives after selling himself out.

The presence at the seminar of Ruan Ming, who was formerly deputy director of the Political Theory Research Center of the CPC Central Party School, and the announcement by him that after Mao Zedong had seized power "Mainland China had had no freedom of press" was even more bone-chilling and enabled people to tell whether the "voice of China" had any truth or carried any weight. No Chinese is unfamiliar with the name of Ruan Ming. His first punch was delivered in 1966 during the "Cultural Revolution," when he accused Zhou Yang of being antiparty and antisocialist in "HONGQI" magazine and led the new trend of publicly criticizing Zhou Yang. During the 10 years of the "Cultural Revolution," Ruan Ming was known across the country by his signature on big-character posters throughout Beijing. He scolded everyone from President Liu Shaoqi and CPC General Secretary Deng Xiaoping to other CPC leaders such as Peng Zhen, Lu Dingyi, Luo Ruiqing, Yang Shangkun, and Tao Zhu down to junior cadres working with him. In doing so, he trained himself in the vocal eloquence and penmanship of confusing truth and falsehood. His eloquence and penmanship has long been shunned by those who have experienced it. However, the uprightness of the Chinese Communist Party still exists. Some people can recall that those performances, sometimes human and sometimes ghostly, only brought about the end of the "Cultural Revolution." "While the capital was filled with high-ranking officials, only this man remained withered." Ruan Ming was promoted, but the promotion far from met his desire. Being unhappy over the failure to realize his desire, he suddenly dished up several articles to abuse the Communist Party. People could not but suspect that these articles were, in reality, old works concocted during the "Cultural Revolution" but dished up in a new form. Then, all of a sudden, he disappeared; he was in hiding, busy engaging in covert activities. This made his name even more well known, while he himself became even more valueless. Finally he was expelled from the party.

While Liu Binyan alleged that freedom of the press had "never" existed during the 40 years since the founding of

the People's Republic of China, Ruan Ming said that after Mao Zedong had seized power, "Mainland China had had no freedom of the press." Such eloquence and penmanship outstripped Liu Binyan in that it indicated freedom of the press can exist on Chinese soil only in the absence of the Communist Party. Chinese soil, of course, includes Beijing when it was ruled by Empress Dowager Cixi and the like and by the combined forces of eight countries. Perhaps what he meant more directly is the mainland at the time when the Kuomintang was in power and also Taiwan, which is still ruled by the Kuomintang. This is not only an indication of his skillfulness in wording, but also shows his resourcefulness and courage in serving as a flunkey. He is by no means like Liu Binyan, who can only hurl abuses by shouting himself hoarse and inventing some lies that can be punctured with a mere stroke.

It was also on 10 October that Ruan Ming published an article in a Hong Kong weekly, JING BAO [6975 1032], under the title "On the Target and Strategy of the Current Democratic Movement." Right at the beginning, the article makes the following sarcastic remark against Zhao Ziyang, whom Ruan had previously depended upon for backing:

The "elite" once boasted: "We are not those people who can do nothing but eat. In particular, Comrade Ziyang is very capable and experienced in terms of political strategy. I can tell you that Comrade Ziyang once dropped this hint: If we all act as gentlemen in dealing with each other, we can get along together. It will be okay if we do not offend each other, just as well water does not intrude into river water. But if you really do not do me the honor or resort to unreasonable tricks, I will not just fold my hands and wait for my doom. I will use hard tactics when necessary." What is deplorable is that when Li Peng did not do him the honor at all, the hard tactics never showed up, and all he did was to fold his hands and to wait for his doom. Then, the article goes on to satirize Chen Yizi, Yan Jiaqi, Su Shaozhi, Wan Runnan, and Liu Binyan who were recently in the limelight in Paris and formed a "Front for Democracy in China." The article expresses rather strong dissatisfaction with the program of this "front" in that it mentions nothing about "overthrowing the Communist Party" but, instead, advocates "peace, reasonableness, and nonviolence" and, therefore, fails to reflect "the voice in the hearts of 90 percent of the compatriots on the mainland." What he means here is that only he and several other bad elements can reflect "the voice in the hearts of 90 percent of the compatriots on the mainland," although he and the other bad elements account for only several 1.1 billionths of the Chinese people. What he wants to reflect is the policy "to knock down the Communist Party and not to hesitate to overthrow the autocratic government through armed struggle."

However, our readers should not take this seriously. The two monkeys are just showing off their teeth and will not really bite each other. They are merely vying to show their loyalty when their master is by their side.

As a matter of fact, the writers of key articles presented at the "Voice of China" seminar are not Chinese. Apart from praising the American reporters' "vitality" during the turmoil and riot in China and "inspiring" the disturbance makers and rioters, the main theme of these articles was to stress how the yellow people in the United States should vigorously make a scene to "influence U.S. public opinion, the Congress, academic community, and even policymakers." In the words of the U.S. presidential adviser for Chinese affairs who was present at the meeting, this means that "the formation of a macro atmosphere is conducive to the long-term development of China's democratic movement." This is the voice of the "macro atmosphere," the voice of the master, the voice of flunkies, and the voice of the flunkies of flunkies. How could it be "the voice of China"?

The voice of China is in China. It is not from the few flunkies who are utterly devoid of integrity and who are getting money and pecuniary rewards from foreigners by abusing their ancestors and compatriots. It is from the 1.1 billion Chinese people characterized by an indomitable spirit.

Vice President Wang Zhen Gains Influence

HK0712011389 Hong Kong SOUTH CHINA MORNING POST in English 7 Dec 89 p 16

[By Willy Wo-lap Lam]

[Text] The state Vice-President, General Wang Zhen, is emerging as one of the most powerful patriarchs in China.

With the retirement of senior leader, Mr Deng Xiaoping, and the growing sickness of economic theorist, Mr Chen Yun, General Wang, 81, is exerting an influence second only to that of the President and military strongman, Mr Yang Shangkun.

Like Mr Deng, General Wang is a politician who can appeal to different factions in the party. A conservative ideologue, General Wang has nonetheless been a staunch supporter of China's open door policy.

Chinese newspapers in Beijing reported yesterday that while inspecting the Zhuhai Special Economic Zone recently, General Wang said the reform and open policy should be further carried out in the zones.

According to the papers, the Vice-President spoke highly of the results achieved by Zhuhai and encouraged local officials to develop the zone's resources with foreign investment.

The patriarch said: "Furthering the reform and open policy is what Deng Xiaoping has proposed time and again.

"It is also a strategic decision made by the party Central Committee."

The Vice-President said local cadres must not adopt a wait-and-see attitude. They must implement the reform policy without hesitation.

Analysts say General Wang is trying to add to his political power by appearing to be the protector of the former associates of ousted liberal leader, Mr Zhao Ziyang.

A regular visitor to Shenzhen, Zhuhai and other open cities along the coast, General Wang has assured local leaders their positions would not be undermined because of their association with Mr Zhao.

Chinese sources say General Wang's intercessions were partly responsible for the Shenzhen mayor, Mr Li Hao, and Zhuhai mayor, Mr Liang Guangda, staying in power.

In early summer, Mr Liang came under investigation for using powers to seek personal gain but he has since emerged unscathed.

The Vice-President is one of the few Beijing leaders who regularly meet foreign business leaders.

As honorary president of the China Association for International Friendly Contacts and honorary president of the China-Japan Friendship Association, General Wang is well-known to Japanese business executives.

Business analysts say General Wang has shown personal interest in large projects in Guangdong, Hunan and Hainan provinces.

His support was one of the factors behind Beijing's approval of the development of Hainan's Yangpu port by the Japanese construction giant Kumagai Gumi.

A Western diplomat said: "General Wang has a personal stake in the preservation of the coastal policy as hammered out by Deng Xiaoping and Zhao Ziyang.

"After all, his son, Wang Jun, a senior manager with the China International Trust and Investment Corp, is heavily involved in business deals in the zones and open cities."

Because of his hard-line conservatism in ideological matters, however, General Wang is also popular with the party's right-wing.

He was the first leader who proposed using military force to suppress the student movement in late 1986 and this year.

Soon after the June 4 Tiananmen Square crackdown, the Vice-President openly proposed sending liberal intellectuals to exile in far away Xinjiang Province.

Analysts say General Wang's standing in the army is very high. A career soldier, the general became army vice-chief of the general staff as early as 1955.

Shortly before the opening of the party fifth plenum in November, there was speculation in Beijing that should there be a deadlock over the choice of a new Central Military Commission chairman or vice-chairman, General Wang might be a "dark horse" candidate.

Even though General Wang walks with the aid of a stick, he is believed to be in robust health.

In the event of Mr Deng's incapacitation, the vice-President, who enjoys Mr Deng's total trust, could play the role of king-maker in the succession struggle.

Wang Zhen Urges More Openness in Economic Zones

OW0612002289 Beijing XINHUA in English
1850 GMT 5 Dec 89

[Text] Zhuhai, December 5 (XINHUA)—The reform and open policy should be further carried out in China's special economic zones, said the state Vice President Wang Zhen recently when on an inspection tour of the Zhuhai Special Economic Zone in south China's Guangdong Province.

Wang spoke highly of the results achieved by the zone. He urged the officials and the masses to unite around the central party committee headed by Comrade Jiang Zemin and make the zone better in its work.

In one year's time the western district of Zhuhai has collected 160 million yuan of capital with more than 70 million H.K. dollars' worth of foreign funds. Wang Zhen encouraged the local officials to develop the zone's resources with foreign investment.

Wang said that to further the reform and open policy is a strategic decision made by the party Central Committee. He hoped that the officials and the masses in the special economic zone should take the lead in its implementation.

Returning Students Receive 'Warm Welcome'

OW0512133989 Beijing XINHUA in English
1255 GMT 5 Dec 89

[Text] Beijing, December 5 (XINHUA)—More than 600 Chinese students have returned from abroad since the crack-down on the anti-government demonstrations in June, an official of the State Education Commission said here today.

"All the returned students have received a warm welcome from the relevant departments, their employers and their colleagues, and are well settled in," said the official, who is in charge of overseas student affairs.

He said half of the 600 came back from the United States. Twenty-seven had won a master's or doctor's degree and the rest were exchange scholars.

The employers of the students have taken or are taking measures to improve their working and living conditions so that they will work enthusiastically.

Yan Yongping, an official at the Chinese Academy of Sciences, told XINHUA that more than 50 scholars of the academy have returned home since June. They have all secured research topics and research funds.

He added that the academy has also done its best to improve their living conditions.

Some people have claimed that some returned students have faced discrimination, and even persecution, because of their involvement in anti-government demonstrations and other activities while they studied abroad. However, both Yan and the State Education Commission official denied the allegation.

Yan said: "We have never asked them whether they took part in these activities."

Zen Yiliang, a scholar working at the Animal Studies Institute of the Chinese Academy of Sciences, told XINHUA: "It's sheer Arabian Nights to say that returned Chinese students have been persecuted."

The State Education Commission official said that people who made up these rumors were actually "biased, if not with an ulterior motive in mind."

He stressed that the Chinese Government has reiterated time and again that the reason some students studying abroad demonstrated and voiced misgivings on the measures taken by the government to quell the riots was because they did not understand the true situation at home. They had been misled by the reports of the Western mass media. Some students had even voiced extremist opinions.

The government would take a tolerant attitude toward all this. Their actions will not be looked into even after they come back.

"What has happened proves this," the official said, adding: "We have not punished any one of these students. When some of them finish their home visits, we even help them to go out again."

According to the State Education Commission, it has helped more than ten students who came back for brief home visits to complete all necessary procedures for leaving again.

The official said educational and labor departments have also drawn up plans for settling the returned students and providing them with research funds in a bid to improve their working and living conditions.

Returning Students Provided 'Better' Services

OW0212103589 Beijing XINHUA in English
0906 GMT 2 Dec 89

[Text] Shenzhen, December 2 (XINHUA)—The government is working to provide better services to Chinese students when they return home.

This was disclosed at a working meeting on student affairs held yesterday in the Shenzhen Special Economic Zone of Guangdong Province.

Such policies as freedom to choose jobs are intended to provide returning students with more opportunities in China.

The meeting was informed that transitional working stations will be set up in coastal areas and advanced businesses to help the students to find suitable employment.

A preferential system will be worked out to provide funds for the students' scientific and technological research. The government will encourage returned students to further their studies and attend international academic gatherings abroad.

A national contact network will be formed to help the students to solve living and housing problems.

An official said that good managerial and service work is not only needed by the current reform and open policy but also is of great importance to China's long-term development.

Since the founding of the People's Republic in 1949, China has sent more than 70,000 students and scientists to study in 76 countries and regions. Now 43,000 of them have returned to China and become a major force in the national development of science, technology and the economy. Nearly 80 percent of them are undertaking key national scientific projects.

Hangzhou Collects Student Psychological Records

OW0212041789 Beijing XINHUA in English
1534 GMT 1 Dec 89

[Text] Hangzhou, December 1 (XINHUA)—Hangzhou, capital of Zhejiang Province, set up China's first psychological health record for students today.

The record covers 6,000 students in 10 colleges, universities, and technical and secondary schools in the city.

The work is organized by the municipal education commission, science and technology commission and public health bureau.

From today on, the state of the students' mental health will be recorded every six months, when the students will fill in a form with 130 items.

The data will be input into computers and the results will be used to help the students have psychological problems.

A survey conducted by 15 scientific and technological personnel from the municipal hospital and medical research institutes on 2,961 students over the past three years showed that 16.79 percent of them had psychological problems.

Youth Leader Denies University Student Arrests

HK0612031789 Hong Kong MING PAO in Chinese
29 Nov 89 p 3

[Report: "Sun Jiachang, Vice President of All-China Youth Federation, Says in Hong Kong That No Students of China University of Science and Technology Were Arrested After the '4 June' Incident"]

[Text] Yesterday, during an interview with our reporters, Sun Jiachang, Vice President of All-China Youth Federation and head of a mainland youth delegation currently visiting in Hong Kong, said that after the "4 June" incident, the youth on the Chinese Mainland still cared about politics. Sun Jiachang told our reporters that he had recently visited the well-known China University of Science and Technology in Hefei City, Anhui Province, and found that the students there still dared to voice their own opinions on the recently concluded 5th Plenary Session of the 13th CPC Central Committee. Sun Jiachang told our reporters that no students of China University of Science and Technology were arrested or went on trial in wake of the "4 June" incident.

China University of Science and Technology is the birthplace of China's 1986 student unrest, which broke out in winter of that year. Professor Fang Lizhi used to be vice president of the university. In 1987, during the campaign of opposing bourgeois liberalization, Professor Fang Lizhi was expelled from the CPC and was later transferred to Beijing.

Sun Jiachang, who is also a graduate of the university, said that the situation there has remained relatively calm this year. When asked about Professor Wen Yuankai, a well-known Chinese intellectual whose safety was reported to be at stake in the wake of the "4 June" incident, Sun Jiachang said that he did not know much about Wen Yuankai. However, he added that Wen Yuankai was "not very influential" among the students of the university.

At the invitation of the Hong Kong Youth Chamber of Commerce, the delegation of All-China Youth Federation has arrived in Hong Kong for an official visit. This is the first youth delegation from the Chinese Mainland to visit Hong Kong since the "4 June" incident. A delegation sent by Hong Kong Youth Chamber of Commerce visited Beijing this August. Therefore, the current visit to Hong Kong is a return visit paid by All-China Youth Federation.

According to Sun Jiachang, the students on the mainland are relatively young and generally lack a comprehensive understanding of China's national situation. Sun Jiachang said that things in China can only be done in light of the actual conditions of China. Good intentions alone cannot get things done in China. At present, the mainland youth on the Chinese Mainland are calmly meditating on a number of questions. With regard to China's policies of reform and opening up to the outside

world, Sun Jiachang said that the Chinese youth and the Chinese people always give their whole-hearted support to these policies.

Sun Jiachang is also currently a research fellow at the Computer Center of China Academy of Sciences (Wan Runnan, founder of the Stone Group, who is now living in exile abroad, also used to be a research fellow at the Computer Center of China Academy of Sciences before fleeing China). Sun Jiachang said that it goes without saying that the Stone Group has played a positive role in popularizing the use of computers. However, in the past, the Chinese media turned to overpublicize the image of the Stone Group. Sun Jiachang said that as a matter of fact, the Stone Group should be properly appraised in terms of scientific and technological development.

When asked about what impact the retrenchment policy currently implemented by the Chinese Government has had on scientific and technological development, Sun Jiachang said that in order to develop science and technology, apart from importing advanced science and technology from foreign countries, China should mainly rely on her own contingent of scientific and technological personnel. In addition, China should attach greater importance to information and personnel exchanges with foreign countries. Sun Jiachang said that the Computer Center of the China Academy of Sciences, where he works, has not slowed down or cut down on information and personnel exchanges with foreign countries following the "4 June" incident. He himself had just returned from a trip to the United States before coming to Hong Kong.

The delegation of All-China Youth Federation arrived in Hong Kong last weekend. Over the past week, members of the delegation have visited Exchange Square, the head office of the Hong Kong Youth Chamber of Commerce, the Social Welfare Department of the Hong Kong Government, and some other places. The delegation is scheduled to visit a number of other youth service organizations and some of Hong Kong's institutions of higher learning tomorrow and the day after tomorrow. The delegation will return to the mainland this weekend.

In another development, Ho Shu-hsien, president of the Hong Kong Youth Chamber of Commerce, said that the originally planned "Youth Voyage" to Beijing, Shanghai, and some other places on the mainland, during which youth from both shores of the Taiwan Straits and from Hong Kong will travel together on the same ship, has been canceled as a result of the "4 June" incident. Whether or not the "Youth Voyage" will materialize next year has yet to be decided. Nevertheless, the Hong Kong Youth Chamber of Commerce has planned to hold some professional management training courses for the mainland youth in Beijing next year.

Education Information System Develops

OW2411031789 Beijing XINHUA Domestic Service
in Chinese 0824 GMT 15 Nov 89

[By reporter Zhao Wei (6392 5898)]

[Text] Beijing, 15 Nov (XINHUA)— Our country is beginning to establish a national education administration information system. This indicates that China's education is heading quickly toward modernized and scientific management.

It is reported that this system will rely primarily on computers. It will use modern information technology and managerial methods to collect, process, and disseminate education information and related materials. As revealed by pertinent personnel of the State Education Commission, the purpose of building such a system is to beef up and improve information and statistical work on education so as to provide timely and reliable information to education administrative departments and schools to meet their management and policy making needs.

Materials provided by the State Education Commission show that the national education administration information system will have a network structure in line with the administrative divisions and the education administration of our country. Basically, it will be divided into four levels: the central, provincial, prefectural and city, and county levels. The principal system at the central level will be located at the State Education Commission. Consisting of big- and medium-sized computers, microcomputers, and related networks as well as office work automation equipment, it will be the nucleus of the whole system. The provincial-level systems, located at the competent education departments of all provinces, autonomous regions, and municipalities, are the hubs of the whole system. They are the supplements to the central system and at the same time, function as the main systems at the provincial level. Their equipment consists of medium- and small-sized computers, microcomputers, and related networks. The systems at the prefectural and city level, located at the prefectural and city departments in charge of education, will function as intermediate links for the provincial-level systems and will be equipped mainly with microcomputers. The county-level systems, as the fundamental part of the whole system, will be located at education departments of various counties. In addition to these, the pertinent information systems at various institutions of higher learning will be included as fundamental components in the national education administration information system.

According to the State Education Commission, the plan for the national education administration information system will take about 10 years to complete and the work will be carried out at three stages. During the first stage, from 1989 to 1990, emphasis will be placed on basic construction and development of the systems at the State Education Commission and the systems at the provincial

level and in certain prefectures, cities, counties, and institutions of higher learning where conditions permit such construction and development. The purpose is to set up a main framework for the whole system. The work for the second stage, from 1991 to 1995, will be the expansion of capacity and coverage and the formation of the basic pattern and method. At the third stage, from 1996 to 2000, the whole national education administration information system will be completed.

It is reported that the system will rely on the satellite and microwave transmission networks of the China Education Television Station for the dissemination of information. State departments concerned will also use this system to strengthen the exchange of education information with UNESCO and foreign countries.

Additionally, it was revealed by the State Education Commission that our country will establish a nationwide observation network on the developments of education at the county level and, before doing so, will conduct spot checks on basic education information.

Education System for Gifted Children Established

OW0212043389 Beijing XINHUA in English
1252 GMT 1 Dec 89

[Text] Beijing, December 1 (XINHUA)—China has formed an education system for gifted children which links universities and middle and primary schools.

This was delivered at the international 21st century education symposium currently being held in the Chinese capital.

Participants in the meeting believe that the 21st century will be a century of high technology when talent competition is increasingly fierce. To keep up with the trend, China should promote regular education to raise the quality of the whole nation as well as the special education to help train the top talents.

Yu Li, an education expert from Shanghai, said that apart from the special psychological and physiological quality of the gifted children, elementary and junior middle school education plays an important role in developing their talent.

Therefore, Yu said, it is essential for the state to establish an education system to teach gifted children systematically.

In 1978, the Chinese University of Science and Technology (CUSAT) initiated a class for gifted teenagers, the first of its kind in China. Since then it has trained 407 such students.

Out of the 230 gifted students who have graduated from the program, 80 percent have been accepted for graduate studies at home and abroad. More than 100 are working on doctoral degrees abroad.

CUSAT has established university reserve classes at the Jingshan School in Beijing and the Suzhou Middle

School in Suzhou, south China. It has also set up an experimental class and a center for gifted children in a dozen middle schools and scores of primary schools in different parts of the country.

Many of China's famous universities, including Qinghua University, Beijing University and Fudan University, have set up juvenile classes.

Article Describes Beijing University Atmosphere

HK2611083089 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0419 GMT 24 Nov 89

["Special contribution": "Beijing University Campus Today"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing University, with a history of 91 years, was the center of the hubbub during the June disturbance in Beijing. What is the situation of the campus today?

The triangle zone of Beijing University, known as the "window of the world," was one of the centers of speeches during the June disturbance. Now the billboard is filled with photographs marking the achievements of the 40th anniversary of the PRC founding, pictures on life of teachers and staff members, student calligraphy are displayed, and colored photographs of the 300 Beijing University students joining the Tiananmen National Day gala.

As usual, Shaoyuan is thronged with visitors. More than 260 new students from over 30 countries had already registered in early September.

The 748 new students enrolled by Beijing University this year constitute a galaxy of talent. In army uniform, they entered the Shijiazhuang Infantry Military Academy on 12 October.

Although the state is vigorously curtailing the scope of capital construction, construction of the new lecture building and the Szekler Archaeology Museum started this spring. Construction of the "Ershaoyuan," a place for foreign students to study, also started recently.

Study and life of the 8,000 students proceeded in an orderly manner. After the lights are put out at night, "discussions" carried out in a relaxed atmosphere can still be heard from the dormitories. According to the new regulations of the university, the gate of the boys' dormitory must be shut by 2300.

There are a number of TOEFL [Test of English as a Foreign Language] and GRE [Graduate Record Examination] advertisements on the campus and the TOEFL books sell well in the university book shop.

Tranquility is prevailing over the university campus. A huge poster which reads "Uphold the four cardinal principles and oppose bourgeois liberalization with a clear-cut stand" is hung from the lecture hall to the

audio-visual room. The bronze-colored characters "diligence, rigor, realistic approach, and blazing new trails," the motto of the university, continue to shine not far away.

Article Views Industrial University Conditions

HK2211031089 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1002 GMT 17 Nov 89

["Special Dispatch": "Conditions in Beijing Industrial University After the 4 June Incident"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 17 Nov (ZHONGGUO TONGXUN SHE)—Beijing Industrial University became renowned among other institutions of higher education in Beijing for its "three noes and one early," meaning that during the 4 June 4 Incident there was no illegal organization in the university, no one was on the wanted list, and no one died in the incident, and it was a university that resumed classes on the earliest day—on 19 June, all students returned to class. Since the new school year began, teaching activities in this university have unfolded normally.

The new school year began on 3 September and all classes formally started on 4 September in Beijing Industrial University. In the new school year, there will be no changes in teaching plans. In order to meet the needs of reform and opening up, this university of science and engineering has set up a Management Science Department in order to train managerial personnel for industrial enterprises. This year, the Management Science Department added a course on "foreign-related industrial operation" to the curriculum. It is said that many students have selected the new course.

Wang Hu, the university president, said that Beijing Industrial University had never severed relations with the outside world. His university has trained teaching staff, researchers, and technical personnel for some institutions of higher learning, research institutes, and factories in China, and has also established regular teaching and research relations with many institutions of higher learning, research institutes, and specialized companies in the United States, Britain, Canada, the Soviet Union, Poland, West Germany, Japan, Singapore, Italy, and Hong Kong through exchanging visits by professors and dispatching students to take more advanced course. In mid-November, he and his colleagues will visit New York State University, Buffalo, the University of Maine, the New Jersey Institute of Technology, the Northeastern University, and the Fiske Company. They will then visit the Universities of Ottawa and Waterloo in Canada.

Since the new school year began, all teachers and students in Beijing Industrial University have concentrated their time on political study and on the rectification of public conduct and the school's living environment. According to Permanent Vice President Cai Shaopu and Dean of Studies Shen Yiming, this university advocates

that all students should be "hard working, strictly self-demanding, united, and innovative" and "ready to serve the four modernizations in the motherland and in the capital wholeheartedly." Cai Shaopu said that in view of the turbulence on 4 June, the school will organize the students in studying the relevant policies, the current situation, and the relevant articles of the Constitution, and will also require them to follow the "Public Security Regulations" and the "Rules for Students" formulated by Beijing Industrial University itself. The school authorities hope that the students will thus constrain their behavior in light of the laws and school discipline.

After the grant-in-aid system in universities and colleges was abolished, Beijing Industrial University adopted a new scholarship system under which scholarships are given to outstanding students who are selected annually according to their political and academic performances and achievements in sports. In November, a new batch of scholarship winners will be selected. About 40 percent of all students can win this honor and get an award of from 50 to 350 yuan. The school pays a total of 200,000 yuan each year to award the good students.

At present, although students have all returned to their classrooms, various problems which exist deep in their minds have yet to be gradually settled. Before the 4 June Incident, nearly 2,000 people in this university participated in the demonstrations and 32 people participated in the hunger strike. So far, they have not yet fully understood the stern challenge facing the state. They still need to face reality and review the past with cool heads and need to realize their own social responsibilities from their painful experience in the storm.

Song Jian Inspects Zhengzhou Monitoring Device

HK0512034589 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 3 Dec 89

[Text] Last night [3 December], shortly after Song Jian, state councillor and concurrently and State Science and Technology Commission minister in charge, arrived in Zhengzhou, he rushed to Zhengzhou power supply bureau in a car to inspect the central control apparatus of the Zhengzhou radio microcomputer electric load monitoring system. He fully affirmed the research and exploration conducted and achievements scored by the technicians of Zhengzhou power supply bureau over the past few years in the installation of power facilities without suspending power supply and in the installation of a power device at households.

In 1983, through [words indistinct] and detailed analysis, Zhengzhou power supply bureau studied foreign advanced experience and [words indistinct] Shanghai microwave technology institute and began exploration relatively early in the whole country. It built a city radio microcomputer electric load monitoring system, exercised control of electric consumption, set a quota for electricity consumption at each household, and ensured consumption of electricity of households in a planned way. Power supply to those who exceeded their quotas

for consumption of electricity would be restricted and power supply to those who did not exceed their quotas for electric consumption would not be restricted so as to ensure proper power consumption. Over the past few years, the power supply bureau has not striven for fame and gain nor feared hardships and difficulties, and in conjunction with the state relevant regulations, extensively carried out propaganda and trained consumers.

In Zhengzhou City, two-way (trio) remote terminal devices are now put into operation and used in 25 households; fixed quota remote control devices are now put into operation and used in approximately 790 households; 25 remote switches are now put into operation and used, and the total amount of power monitored is 250,000 kw which is one half of the total power load of Zhengzhou City. The number of suspension of power supply for the laying of wires in the city in the first 10 months of this year was some 2,500 times less than in the same period last year, and social and economic losses were reduced by over 25 million yuan. The city power supply load factor has increased by 0.8 percent which is equal to an increase of power of some 2,600 kw-hours. This has provided technological conditions for guaranteeing power supply to key enterprises, supplying power to good enterprises, and reducing electric consumption.

This year, electricity consumed for the output value of 10,000 yuan in Zhengzhou City has dropped by 125 kw-hours. When 78 million kw-hours are saved, social and economic results can increase by 230 million yuan.

Song Jian was accompanied by Li Xianglin, director of the Office for Promotion and Application of Electronic Information Systems of the State Council; Governor Cheng Weigao; Vice Governors Yu Youxian and Liu Yuan; and responsible persons of the departments concerned of the Ministry of Energy Resources, Ministry of Machine-Building and Electronics Industry; and State Planning Commission.

Song Jian, state councillor, has come to Zhengzhou this time to attend a national conference on consuming electricity in a planned way and promoting and applying electric load control technology that opened today and to cut the ribbon at a national exhibition of electric load control apparatus products that will open in the agricultural exhibition center of our province this afternoon [4 December].

Book Criticizing 'River Elegy' Published

OW2911060389 Beijing XINHUA Domestic Service
in Chinese 1531 GMT 28 Nov 89

[By reporter Zhu Guoxian (2612 0948 6343)]

[Text] Hangzhou, 28 Nov (XINHUA)—A ceremony marking the publication of the first edition of "Reappraisal of 'River Elegy'" was held in Hangzhou today. It is a book that systematically analyzes and criticizes the political views and concepts of history publicized in the television series "River Elegy."

The television series "River Elegy" treated China's traditional civilization from a viewpoint of national nihilism and historical fatalism and systematically advocated "complete Westernization." In order to help young people and students enhance their ability to distinguish between right and wrong, 14 experts and scholars from the departments of history, philosophy, political science, journalism, and Chinese literature co-authored "Reappraisal of 'River Elegy'" at the request of the Hangzhou University Publishing House. The book contains more than 220,000 characters. At report meetings on "Reappraisal of 'River Elegy'" organized by Hangzhou University in the course of compiling the book, some authors briefed the students on the main arguments of the book that evoked intense repercussions among the students. So far, more than 50,000 copies of the book have been ordered.

Article Exposes 'Evil Motives' of 'Elites'

HK2611055689 Beijing RENMIN RIBAO
in Chinese 22 Nov 89 p 3

[Article by He Wei (0149 1792), originally carried in 18 Nov TUANJIE BAO: "An Advice to the 'Elites'"]

[Text] This is really unthinkable!

It was rumored that the "elites" who fled abroad and relied upon foreigners for protection planned to distinguish themselves. Above all, they intended to launch a public opinion offensive against the Chinese Government. What about the results? Unexpectedly, they produced a fake RENMIN RIBAO (OVERSEAS EDITION) rather than turning out any presentable "articles." According to a commentary carried in Paris (EUROPEAN TIMES), the paper has been "outstanding not only in usurping the name, masthead, and titles of the CPC organ, but also in rumors and fallacies vilifying and throwing mud at the Chinese Government."

Anyone with normal sense will take this as low-down behavior. No wonder the NEW YORK (WORLD) considered it a "surprising move." The commentary of (EUROPEAN TIMES) even pointed out: The Guanghai Newspaper Company in France is the sole agent for distributing China's RENMIN RIBAO OVERSEAS EDITION, which is registered and printed in France. The move itself constitutes a gross violation of copyright. However, the "elites" are by no means people without ability. Prior to taking action, they had already prepared to "refute" in case evidence of both parties is to be examined in court.

The first refutation: "Forging" constitutes a "new art of struggle." It has been reported that this a "wise move" taken to "break through a CPC news blackout, autocracy, and totalitarian rule." The material can reach the mainland without undergoing customs inspection and enable "the people living under CPC bayonets to read, reprint, and retain." They do not know that this "refutation" actually revealed the intention of the forgers: They recognized the authority of RENMIN RIBAO. As

they dare not expose the newspaper of the Chinese Democratic Front or "elites" to sunlight, they had to take this low-down move to stall for time, justify themselves before the masters financing their activities, and indicate the existence of the "fighters for democracy."

The second refutation: They are not afraid of "going to law against the CPC." For fear that they will be sued for "forgery," they asserted the following to boost their courage: "A 'justice attorney group' composed of more than 1,000 U.S. professional attorneys will offer us the necessary support. The Los Angeles Human Rights Attorney Association is already ready to help us." What a gangster logic it is for those who steal things from others to trump up a countercharge against the latter! Here, the ugly features of "legal pettifoggers" are unconsciously revealed by the "elites" themselves.

As exposed by (EUROPEAN TIMES), the evil motives of the "elites" to forge the RENMIN RIBAO are to "make use of the authority of China's party paper to mislead the public abroad so that foreign readers who do not understand China will mistakenly think that the Chinese Government is shaky as the opposition party there is strong enough to control the major newspaper... and to resort to demagoguery at home to stir up trouble." Hence, I would like to offer the following advice to the "elites" who have large amount of U.S. dollars, French francs, and Hong Kong dollars in their hands: It is not enough to forge the RENMIN RIBAO OVERSEAS EDITION alone. You should continue to forge RENMIN RIBAO, NONGMIN RIBAO, JIEFANGJUN BAO, GUANGMIN RIBAO, women's newspapers, youth's newspapers... Thus, you can increase the momentum several times larger, light the flames at home, and create the image abroad that China's workers, peasants, soldiers, intellectuals, women, and young people all belong to the "opposition party" which has almost all the newspapers under its control and that the Chinese Government is in a precarious situation!... By doing so, you can probably win the acclaim of certain KMT figures in Taiwan. The days for you to swagger into the treasure island will not be far off and you do not even have to beg for aid from the trifling liaison men sent by Taiwan.

This is just the beginning of their play. We hope that our readers will wait and see what consummate skill these "elites" will display next.

Customs Officials Cite Major Smuggling Cases

HK2911025189 Beijing RENMIN RIBAO in Chinese
25 Nov 89 p 2

[Dispatch by reporter Mei Hongru (2734 3163 1172): "China's Customs Cracked Over 1,000 Major Cases of Smuggling in the Last 10 Months"]

[Text] Guangzhou, 23 November—The National Conference of Customhouse Directors was officially convened in Guangzhou today. The conference is scheduled to discuss ways and means aimed at further strengthening China's customshouses' macroscopic supervision

and control functions and building the personnel contingent in order to enable all customshouses to better serve the ongoing campaign to improve the economic environment, rectify the economic order, and further deepen on-going reform. Over the past year, China's customshouses have greatly strengthened their macroscopic supervision and control and further stepped up building socialist spiritual civilization, focusing on building a clean government. They have already achieved some gratifying results in this regard.

China's customshouses have also strengthened their work of levying and collecting customs duties. From January to October this year, China's customshouses collected a total of 12.8 billion yuan in customs duties for the state. China's customshouses have also advised the State Administration for Customs Duty Regulations under the State Council to readjust six types of import duties and cancel regulations guaranteeing duty-free cigarette imports into China's special economic zones, thus effectively restricting the import of high-grade consumer goods and the export of resource commodities.

China's customshouses have also greatly strengthened their management of licensed commodities, goods and materials earmarked for processing and trade, and donated goods and materials. From January to October this year, China's customshouses cracked a total of more than 1,700 cases of smuggling and fined and confiscated a total of 60 million yuan, thus basically putting an end to the serious disorder in China's import and export links.

China's customshouses have also concentrated their efforts on cracking major cases of maritime smuggling and smuggling involving enterprises and undertakings. From January to October this year, China's customshouses cracked a total of 1,050 such cases involving some 326 million yuan.

The current National Conference of Customhouse Directors has issued a call to all departments concerned, demanding: Further strengthening of levying and collecting customs duties to increase state revenue; further improvement, perfection, and strengthening of the supervision and control system; plugging loopholes and making things more convenient for legal imports and exports; strict enforcement of the law; strengthening of the supervision function; dealing more severe blows to major smuggling activities; redoubling efforts to carry out the struggle against infiltration in respect of supervising nontrade channels; and stepping up the checking and seizing of reactionary propaganda publications and pornographic goods and materials.

Novel, Discussion Recall Cultural Revolution

HK0512064589 Beijing ZHONGGUO XINWEN SHE
in Chinese 0736 GMT 24 Nov 89

["A Discussion on the Novel 'Violent Storm Came Suddenly'"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 24 Nov (ZHONGGUO XINWEN SHE)—The circulation of a "Violent Storm Came Suddenly," the first novel depicting students during "those 3 years," has reached 45,000 copies. This has arrested the attention, and earned the praise of various quarters. A discussion on the novel "Violent Storm Came Suddenly" was held in Beijing today.

Students in "those 3 years" refer to graduates of the junior and senior secondary schools from 1966 to 1968, and their number reached 40,000. Due to the "Great Cultural Revolution," these people lost their chance to study and were sent to remote mountainous, or border areas. Now they have reached 40 years of age or so, they have become the mainstay in various fields in China.

The author of the novel, Yan Xiaohuai, was a student during those 3 years. "Violent Storm Came Suddenly" is one book in his trilogy "Complications." He planned the novel for 10 years, and spent another 10 years writing it. The novel depicts a series of stories which happened on a campus of a secondary school during the stormy 20 days after the start of the "Great Cultural Revolution." Some 150 characters in the novel include senior cadres, intellectuals, peasants, landlords, capitalists and officials of the "working groups," and so on.

Professors, scholars, managers, cadres and so on took part in today's discussion. The majority of them were members of "those 3 years." They believe that "those 3 years," the 10 years of the "Great Cultural Revolution," and the 10 years of reform are closely connected. "Violent Storm Came Suddenly" truly depicts for the first time, people of that generation. It is a matter of special significance in reflecting upon history, arousing people's ardent patriotism and national integrity, and educating people of the new generation.

Some participating scholars maintain that at present, when our country is encountering difficulties, it is necessary to advocate the character and morals of the students of "those 3 years" who were unreconciled into sinking into degradation, and made efforts to arouse themselves.

Participants also discussed the artistic skills and characteristics of the novel.

Science & Technology

Nuclear Industry Makes Military, Civilian Goods

OW0612164889 Beijing XINHUA in English
1042 GMT 6 Dec 89

[Text] Chengdu, December 6 (XINHUA)—China's nuclear industry has started developing both military and civilian products after ten years of readjustment and reform, said Jiang Xinxiong, general manager of the China National Nuclear Corporation (CNNC).

He said that in the past the scientific research and production of the Chinese nuclear industry was solely in

the military field, but now it has been transferred to mainly serve civilian so as to make full use of technologies and equipment.

China has made great progress in developing its nuclear industry. Nuclear enterprises have helped civilians build hydraulic and thermal power stations, develop the non-ferrous metal, rare earth, metallurgy, building materials and chemical industries.

Since 1985, the industry has undertaken 114 items of civilian product development with nuclear technology. Among them, 90 have been completed, and 18 have been listed as key technology projects of the country. Also, more than 1,000 new products including isotopes and fine chemical products, and instruments and meters have been developed.

The Chinese nuclear industry has exported technologies to a dozen countries for the peaceful utilization of nuclear energy.

This year the total production value of civilian products in this sector is predicted to hit 600 million yuan, accounting for 40 percent of the nuclear industry's total output value.

Bank To Sign Loan for Satellite Project

HK2811021389 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
28 Nov 89 p 1

[By Angus Foster]

[Text] China International Trust and Investment Corp (CITIC) will sign a U.S.\$50 million loan tomorrow to help pay its share of the AsiaSat satellite project, just days before U.S. President George Bush is set to decide if the plan can go ahead.

The loan, to be guaranteed by CITIC, is seen as the strongest indication yet that AsiaSat's schedule will not be upset by legislation now under way in Washington imposing sanctions on China.

AsiaSat has CITIC, Hutchison Whampoa and British firm Cable and Wireless as joint partners in the U.S.\$120 million scheme.

The consortium plans to export a second-hand Hughes 376 satellite from the U.S. and launch it on a Chinese Long March III rocket in April 1990.

But the project was thrown into jeopardy earlier this month when the U.S. Congress passed a Bill which included sanctions against China and a ban on the export of satellites to be launched by China in the wake of the June crackdown in Beijing.

The Bill is now in front of Mr Bush for his signature or veto, and a decision is expected this week.

Spokesmen for Hutchison have consistently maintained that the project will not be affected by the threatened sanctions.

The managing director of Hutchison Telecommunications, Richard Siemens, said last night that CITIC's decision to go ahead with the financing, although planned well in advance, was a very positive sign that AsiaSat was still on the cards.

According to reports from the U.S. all is not lost for AsiaSat even if the Bill is signed, because Mr Bush could grant a waiver exempting the project from the legislation.

CITIC's U.S.\$50 million financing has been arranged by BT Asia, lead-managed by seven other banks and managed by a further two.

The five-year loan is pitched at about 75 basis points above Libor (the London interbank offered rate), the benchmark for most bond issues.

Exact details of the financing will not be known until it is signed tomorrow.

A spokesman at BT said the loan was over-subscribed by 60 percent so allocations had to be cut back.

Despite the uncertainty over the project, bankers are likely to have found the deal attractive because it is guaranteed by CITIC, and AsiaSat is seen as a sound investment in the long term.

Of AsiaSat's total "in orbit" costs, about U.S.\$50 million will go towards the purchase and refurbishment of the satellite, now under way at Hughes' factory in the U.S.

The remaining U.S.\$70 million will cover launch costs, ground sites and insurance.

Once in orbit, the satellite will mainly carry TV transmissions and will be able to cover most of Asia.

Technology Promotion Committee Established

OW1511041089 Beijing XINHUA in English
0255 GMT 15 Nov 89

[Text] Beijing, November 15 (XINHUA)—The All-China Federation of Industry and Commerce has established a technology promotion committee in a bid to help spur the country's technological progress.

The committee will provide technological consultation service to industrial enterprises according to their needs, help them carry out professional training and introduce new techniques, materials and equipment.

It will also help the enterprises work out their development strategies and tactics, organize exchanges of information and put forward suggestions to the government concerning major economic issues.

The All-China Federation of Industry and Commerce is composed of well-known figures in the industrial and

commercial circles. The federation and the eight democratic parties constitute an important component of the Chinese People's Political Consultative Conference, China's highest consultative body.

The committee is headed by Chen Shengwu, an entrepreneur and a member of the standing committee of the federation.

Military

Veteran Generals Complain About Yang

HK0112140189 Hong Kong CHENG MING in Chinese
No 146, 1 Dec 89 p 10

[Article by special correspondent He Shao-ming (6320 1421 2494): "Veteran Army Generals Lodge Complaints Against the Yangs"]

[Text] Recently, Deng Xiaoping had a talk with some retired army generals, including Zhang Aiping, Yang Dezhi, and Ye Fei, who wrote letters to Deng before "4 June" to show their disagreement on suppressing the students by military force. The generals mainly talked about two matters. One is hoping Deng will keep fit and healthy and live longer. The other is a complaint about something that has been overdone by the Yangs after they took charge of military work, including personnel matters and what has been overdone to the family members of several veteran generals after "4 June." For example, some people were arrested in the house of former Chief of General Staff Luo Ruiqing on a charge of having participated in the "4 June" incident. On the same charge, a son of Marshal Chen Yi was punished and Zhang Ziping's granddaughter was arrested.

This reflects the increasing complaints about the Yangs among the veteran army leaders.

In fact, many Army officials are greatly indignant at what Yang Shangkun has done during the "4 June" incident. According to a soldier who once worked under Yang Shangkun, on 4 June, some old tanks and military vehicles were driven out from the military museum and then discarded by the soldiers and burnt by the angry citizens and students. All this was plotted and directed by Yang Shangkun personally. After Yang Shangkun learned that many people were killed or injured somewhere between Liubukou and Muxidi on the afternoon of 3 June, he ordered that the scene of students and citizens burning the tanks and vehicles be broadcast on television on 4 June and then the deaths reported on the afternoon of 3 June in order to shift the blame onto the students and citizens and provide "effectual" evidence to prove the "riot". The soldier said: "Yang Shangkun is an out and out political scoundrel." "His mean trick can only deceive the people outside Beijing for the time being, but can never deceive Beijing citizens."

It seems that the reason why Deng Xiaoping has always refused to let Yang Shangkun take the post of chairman

of the Central Military Commission is not only that he has little confidence in Yang, but also that Yang does not have the support of the people and the Army.

Civil Affairs Ministry, PLA Issue Circular

OW0412233489 Beijing XINHUA Domestic Service
in Chinese 0700 GMT 4 Dec 89

[Text] Beijing, 4 Dec (XINHUA)—The Ministry of Civil Affairs and the People's Liberation Army [PLA] General Political Department have issued a joint circular today, calling on civilians and soldiers in various localities to ensure a good job in launching activities to support the Army, give preferential treatment to Army dependents, support the government, and cherish the people during the 1990 New Year and Spring Festival period.

The "circular" has called on soldiers and civilians to pay keen attention to the following tasks:

1. It is necessary to study earnestly the guidelines of the 4th and the 5th Plenary Sessions of the 13th CPC Central Committee and support, with concrete actions, the drive to improve the economic environment, rectify economic order, deepen reform, and promote national stability and unity. Governments and PLA political organs at various levels should organize the study of the guidelines to enable the cadres, masses, and commanders and fighters to obtain a correct assessment of the current economic situation and build up confidence in overcoming difficulties. It is necessary to conduct ideological education and education on revolutionary traditions that is focused on patriotism, collectivism, socialism, self-reliance, and arduous struggle among the large numbers of those receiving preferential treatment, as well as commanders and fighters, so as to foster the thinking of putting the overall interests above anything else and sharing the national burden. All Army units should take the initiative to contact local governments in working out comprehensive arrangements and annual plans for PLA units to take part voluntarily in the national economic construction.

2. In conducting in-depth education on loving the country and supporting the Army, it is necessary to launch various activities for soldiers and civilians to emulate each other. All local governments should adopt diverse measures in carrying out a vivid education on national defense, going all-out to publicize the PLA's heroic deeds in safeguarding and constructing the motherland so as to cultivate a healthy atmosphere of supporting and cherishing the Army in the whole society. PLA political organs at all levels should earnestly organize education on the character, goal, and fine traditions of the People's Army to increase soldiers's awareness in respecting the government and cherishing the people. Both Army units and local governments should energetically publicize advanced experience and exemplary deeds in supporting the Army and giving preferential treatment to Army dependents and in supporting the government and cherishing the people. Both should learn from and help each other in fostering and carrying

forward a wholesome general conduct of a society that regards supporting the Army as glorious and cherishing the people as noble, thereby further strengthening the unity between soldiers and civilians.

3. It is necessary to emulate Lei Feng and foster a new style in rendering good service for preferential treatment recipients and the masses of people. During the festival, all local governments should extensively mobilize mass organizations of supporting the Army and giving preferential treatment to Army dependents at the grassroots level in performing all kinds of services for local Army units and preferential treatment recipients. All PLA units should also organize soldiers to render service to the people and assist local governments in striving to solve practical problems for the masses during the Spring Festival. It is necessary to develop the excellent situation whereby the Army cherishes the people and the people support the Army through activities that emulate Lei Feng and performances of good service.

4. It is necessary to examine seriously the implementation of the policy to give preferential treatment and the enforcement of mass discipline. Local governments should organize forces to go deep into the grassroots and call on families of revolutionary martyrs and soldiers, comprehensively examining whether preferential treatment, pension, and fixed subsidies are received accordingly to discover and solve problems in good time. All PLA units should conduct education on the policy and discipline in conjunction with the general inspection on mass discipline to maintain and develop the PLA's wholesome image as a mighty and civilized army.

5. It is necessary to hold gatherings and exchanges of visits between soldiers and civilians in a planned and systematic manner. In places where Army units are stationed, military and civilian gatherings and forums of all types should be organized. It is necessary to ensure a good job in organizing the activity to express appreciation to the martial law troops. All provinces, municipalities, and autonomous regions may organize compact comfort teams to visit border and coastal PLA defense units. Both Army units and local governments should organize comfort activities for disabled revolutionary soldiers, wounded soldiers, and retired Army cadres. It is necessary to stress practical results, practice economy, and guard against extravagance and waste in carrying out all kinds of activities.

Feature Describes Lin Biao's Hangzhou Fortress

HK221121589 Beijing ZHONGGUO XINWEN SHE
in Chinese 0142 GMT 18 Nov 89

["Special Feature" by Du Jianren (2629 1696 0086): "Revealing the Secrets of Lin Biao's Holiday Palace—A Visit To 'Project 704'—Reprinted From ZHONGGUO XIANGZHEN QIYE BAO (CHINA TOWNSHIP AND TOWN ENTERPRISES JOURNAL)"]

[Text] That Lin Biao built a palace in Hangzhou for his short stays there when he was still alive is perhaps a fact

that few people know about; and even fewer people know the full story behind the palace's construction, its size, furnishings and other such details.

Lin Biao's holiday palace is also called "Project 704," so named because construction began in April 1970. Today, the palace, nicknamed "704," is better known as the Zhejiang Guest House.

Lin Biao's holiday palace is situated west of the beautiful Xizi Lake and occupies a total land area of 307 mu (exclusive of the wooded and hilly area). It is composed of two levels: Ground level and underground. The ground level has four buildings, each with a unique style, constructed on a total land area of 28,452 square meters. Main building No 1 occupies an area of 12,000 square meters; building No 2 houses a modern kidney-shaped indoor swimming pool; buildings No 3 and 4 are smaller edifices with distinctive architectural styles. In particular, building No 3 was built by Lin Biao especially for his cohorts, the so-called "Four Golden Buddhas" composed of "Huang, Wu, Li, and Qiu"; while building No 4 was built for his agents in Zhejiang, namely Chen Liyun [7115 0536 5089] (then political commissar of the Air Force's 5th Army) and Nan Ping [0589 5493] (then chairman of the Zhejiang Provincial Revolutionary Committee). Today, these two buildings have been converted into guesthouses which cater principally to foreign visitors and Overseas Chinese. The underground part is a tunnel-type construction independent of the ground-level building and occupies a total area of 4,000 square meters. Its main tunnel is 960 meters long with 47 rooms of different sizes. The entire underground chamber was intended for use as Lin Biao's battle command post.

Parked some 20 meters from the underground passage is a tank. It was reportedly the most modern of its kind in the 1970s, equipped with a full range of facilities and reputed for its excellent performance. It was also used by Lin Biao in his coup plot. The tank was supposed to be used to attack Chairman Mao's private train, but it failed to carry out its sinister mission after the coup plot was uncovered by Chairman Mao. Today, the tank is kept intact as a testimony to history and is available for viewing and picture-taking by foreign guests or other visitors.

Seen from outside, the entrance to the underground palace is not particularly impressive. Wild grass abounds, broken bricks lay scattered, and dirty pools of water flow insouciantly, leaving one with a feeling of dilapidation and bleakness. One is greeted by an uncomfortable gust of cool breeze as one walks into the underground chamber. There are two ventilation installations inside the chamber; one is mechanical while the other is natural. They keep the air fresh inside the chamber and ensure that it is cool in the summer and warm in the winter. Moving 10 meters forward, one is stopped by a huge 1 meter tall and 1/2 meter wide [as received] steel door protruding from the right wall. The door can be opened only after some maneuverings and it leads to a

large room equipped with many complex but sophisticated facilities, one of which is to protect the tunnel from a nuclear attack. The entire underground palace has five exit points, all camouflaged with great care. Each exit point has three steel gates, with each gate weighing 500 kilograms and completely impenetrable by bullets, fire, or poison gas. The spiral-shaped main passageway is 2.3 meters wide, is 8 to 26 meters from ground level, has walls that are 0.8 to 1.2 meters thick, and has a total length of 960 meters. The structure of the interior is relatively complicated as it is a combination of steel plates, mixed concrete, plastic foam sheets, and dryer. Its outer layer is coated with fire-resistant and antihumidity paint which makes it immune to explosions and humidity. If an explosion occurs in a part of the tunnel, it will cause minimum damage and not affect the entire underground palace. In addition, it has a special effect which renders all radio sets, telephones, and televisions useless, making it impossible to view, emit, or receive audio or visual transmissions. The acoustics are also excellent inside the passageway and there is no question of echos reverberating there.

The underground palace is composed of the following: A disinfecting room, sound-proof room, security room, offices, combat command room and telecommunications room. Lin Biao's chamber is immense, as it includes his office, dining room, bedroom, and toilet. It is also the safest of all underground chambers; it is 26 meters underneath a mountain.

The underground chamber is also equipped with its own power generator and water pumps. If there is a power shortage on the ground level, the underground generator can provide electricity; if there is a water shortage on the ground level, the underground deep water pump can handle the supply needs. As long as there is sufficient food and a water supply, the underground dwellers can survive on their own, independent of the ground level inhabitants.

The entire 200-meter long, S-shaped echo tunnel was designed especially for Lin Biao. If someone descends from building No 1 and walks past the echo room through the echo tunnel, his footsteps will be heard clearly in the central portion of the underground chamber. Likewise, if someone takes the same path to go to building No 1, the sound will reverberate immediately to the building. Without a doubt, Lin Biao was extremely crafty.

Lin Biao took a car everytime he went from the underground chamber to building No 1. First, he took an electric car to reach the exit at the end of the echo tunnel, then changed to a small car to go to the elevator, and from his own private elevator, he went straight to his room in building No 1. Others had to take a 60-flight stairs to get to building No 1.

Building No 1 was the residence of Lin Biao, Ye Qun, and Lin Ligu. It was here that they indulged in merry-making and coup-plotting. The building has suites,

dining halls, a small auditorium, command post, strategy room, theater, and dance hall. Its construction area stands at more than 12,000 square meters and cost 1,200 yuan per square meter. This is equivalent to 24 times the construction cost per square meter of an ordinary citizen's house at the time.

There are three distinctive features in the building. First, special materials were used for the building. All the walls were made of five layers. The outermost layer is fine bricks, the second is fire-proof plastic boards, the third is reinforced concrete, the fourth is first rate putty, and the fifth and last is top quality paint. The top floors were made of 8 to 10 layers of materials, while the floors were composed of 4 layers. Second, special glasses were fitted for the doors and windows of building No 1, each four-layers thick. The first layer is refractive glass; the second, bullet-proof and antiradiation glass; the third is high-grade plain glass; and the fourth is copper-colored sand screens. One cannot see clearly from outside the windows, but the opposite is true when one is inside looking out. Three, special tiles were used for the roof. While tiles in ordinary houses are laid in one layer over the other, the ones on the roof of building No 1 are laid 8 to 12 layers thick. Moreover, tiny water canals and sound-proof facilities were installed between the tiles. As Lin Biao hated noise, the use of such specially-made tiles would decrease the sound of raindrops hitting the tiles.

The construction of Lin Biao's holiday palace cost 31 million yuan, exclusive of labor. Coincidentally, the entire population of Zhejiang Province at the time stood at 31 million. To curry favor with their master Lin Biao, Chen Liyun and Nan Ping had proposed that each resident of the province donate 1 yuan for the construction of the palace as a gesture of his or her loyalty to Vice Marshall Lin. The money was used entirely on the purchase of materials, which included 3,000 tons of steel, 8,000 cubic meters of logs, 18,000 tons of cement, and 180 tons of copper.

Lin Biao's solarium is located in the southern part of building No 1. Specially-manufactured glass mounted on all sides of this room are not only bullet-proof, but could also filter all kinds of harmful radiation. In addition, the solarium is equipped with an air-conditioning system and a wide television screen which can monitor everything going on in "Project 704".

Lin Biao's garden is adjacent to the south gate of the underground palace and was reserved exclusively for Lin Biao. A man-made hill sits in the middle of the garden, surrounded by potted seasonal plants. A stone-paved path leads further down a field of bamboo trees where one finds a variety of flowers like peony and silk cotton in full bloom. Other rarer plants are also found there, including snow pines which are worth millions. The landscape may be simple, but it is very elegant.

Lin Biao's own bedroom is huge and bright. It has an area of more than 200 square meters, and is furnished with an air conditioning system, an ion exchanger, and a

thermostat. There is an exquisitely-crafted sofa in the room. The bullet-proof, antiradiation glass gives a hint of treachery while the four-layered purple and pink drapes adds to its mystery. Copper door knobs, handles, and thresholds exude elegance. The floor is made of 10 centimeters wide, 2 centimeters thick heptagonal north-east China ash imported from abroad and coated with tung oil. Nineteen years later, it still appears new and shiny. A beautiful pale green pure wool carpet is laid on top of the floor.

The position and decoration of each room in building No 1 are all alike for the following reasons: First, because Lin Biao did not like too much lighting, all the lamps in the rooms are hidden in four corners of the ceilings and the light are diffracted to produce a softer illumination. Second, because Lin Biao feared for his life, he had the lotus lamp in the center of the room specially made out of light materials. The lamp's interior was made of rattan which can hardly be discerned from its exteriors. This was quite stylish and fashionable at the time. In the event of a war, even if the rattan lamp fell off from the ceiling and hit Lin Biao, it would not cause fatal injuries.

The layouts on the first and second floors of the building are exactly identical: The same surface areas, same construction styles, and same furnishings and decorations. Lin Biao planned it this way because he did not want people to find out about his daily routine nor his exact whereabouts in the house.

Building No 2 houses Lin Biao's family swimming pool and is located to the right side of the first building. The floor is paved with white mosaic tiles, while the walls are covered with green porcelain tiles. A huge air-conditioning unit is installed here as well as a sound insulating device to make sure that nothing said inside is heard outside.

The swimming pool is 25 meters long, 15 meters wide, 16 meters high, with the deepest spot at 3.25 meters and the shallowest at 1.18 meters. Its total area is 2,800 square meters. In addition, it has an ion exchanger, automatic cleaning device, thermostat, and automatic water supply system. The water comes from an underground springs and is noted for its agreeable temperature irregardless of the seasons. The handgrips around the pool are made of stainless steel. Some 100 lamps of various styles and types adorn the four walls and ceilings of the poolhouse.

Economic & Agricultural

Article Views Rectification Through Deeper Reform

HK0612150189 Beijing RENMIN RIBAO in Chinese
27 Nov 89 p 6

[Article by Zhang Zhuoyuan (1728 0587 0337): "Promoting Economic Rectification by Deepening Reform"]

[Text] The decision of the 5th Plenary Session of the 13th CPC Central Committee on further improving the economic environment, rectifying the economic order, and deepening the reform is a major strategic policy decision in the new stage of China's economic development and reform. Continuously and unswervingly implementing this principle represents a fundamental way to overcome the current economic difficulties and achieve a sustained, stable, and coordinated development of the national economy.

Since last September, the party and the government have adopted some extraordinary measures, such as freezing the prices of some products and applying the method of increasing financial subsidies to stabilize the prices of people's most basic daily necessities; setting ceilings for the prices of major capital goods outside the plan on which price controls have been relaxed; "contracting" to the localities the annual rate of price increases from one level to another, which encourages blockades between different localities to some extent; instituting the practice of selling some important capital goods and consumer goods which are in short supply, such as chemical fertilizer, insecticide, grains, cotton, and four kinds of steel products; making unified state purchasing of some important agricultural raw materials, such as silkworm cocoons and tobacco leaves; closing the markets for some products for a certain period of time; and tightening controls over the volume of the supply of funds and total payroll. These circumstances have made some people take a doubtful attitude toward the necessity and correctness of improving the economic environment and rectifying the economic order. In fact, the aforesaid conditions are only a short-term and partial phenomena. With the indepth development of economic rectification, in an effort to attain genuinely the objective of improving the economic environment and rectifying the economic order, we should tighten direct administrative controls for a certain period of time, particularly in the initial period and within a partial limit. More importantly, we should push forward and deepen the reform in many respects and use reform to promote and ensure completion of the economic rectification tasks.

In improving the economic environment, it is very important to check inflation and overcome the phenomenon of excessive price increases. To this end, we should at first apply administrative means to freeze or semi-freeze the prices of the most important commodities and labor services. However, this method is effective for only a limited period of time, principally to gain a breathing spell to cool down the overheated economy and re-coordinate the relationship between total social supply and total demand. However, to solve fundamentally the question of the economy being overheated again and again and to ensure the stable growth of the national economy, it is necessary to reform the economic operational mechanism. First, we should reform the macroeconomic regulation and control mechanism and establish one which is relatively rational and which can promote stable economic development. On this point, in

my view, to coordinate with the economic rectification, we should push forward the reform of the financial structure, strengthen the macroeconomic regulation and control function of the Central Bank, and strictly control the issuance of currency and the total scope of credits; we should change the long-standing practice of attaching the monetary policy to the financial policy and make it possible for the Central Bank to independently effect its monetary policy. This is a reform aimed at closing the "sluice gate" of indiscriminately issuing banknotes. It does not cost us money, but helps us bring inflation under control. By coordinating this reform with efforts to check the swelling demand, we can effect a radical cure and control inflation. In formulating the growth plan for the annual money supply, the Central Bank should have ample economic basis and resolutely discard the policy of using the excessive money supply to prop up high economic growth. It is necessary to control the total credit scale; apply a tight credit policy; and, at the same time, readjust and improve the credit pattern and more satisfactorily apply credit means to carry out the state's industrial policy.

In the course of reforming the macroeconomic regulation and control mechanism, the use of interest rates will become increasingly important. Under the planned commodity economy, the interest rates are an important lever to exercise macroeconomic regulation and control. Interest rates are the price of funds, and changes in the interest rates should be able to reflect and readjust sensitively the relationship between the supply of funds and the demand and thus expand (reducing the interest rates) or contract (raising the interest rates) the economy. To check the overheated economy, it is necessary to raise the interest rates appropriately. This is a method proved to be effective by all countries. Therefore, we should affirm China's practice of raising the interest rates several times last year and launching value-guaranteed deposit business. These measures have played a very good role in stabilizing the market and finance. The role of raising the interest rates to encourage savings is even more evident to all. After raising the interest rates, the credit rates should also be raised correspondingly. This will help cool down the economy, check the investment fad, and squeeze out those productions and operations yielding low returns. Meanwhile, the state may apply such methods as paying interest in the form of a deduction when selling a bill of exchange to encourage investments in the production of goods in short supply and to improve the production structure.

To strengthen macroeconomic regulation and control, further efforts should also be made to reform the financial tax structure. In the period of economic rectification, we should establish as soon as possible a double entry budget system by separately listing routine expenses and investment expenses and establish a policy-related financing structure. The local financial contract system instituted in an all-around way in 1988 has both advantages and disadvantages. On the advantageous side, it is conducive to arousing the enthusiasm of

local governments to develop the economy and increase financial revenue, but its chief defect is that it strengthens local interest and weakens the central macroeconomic regulation and control capacity. Under the local financial contract system, in the pursuit of their local interests, all localities vie with one another to develop projects that require less investment but yield quick results. This has resulted in rapidly swelling investment, serious duplicate construction, similar economic patterns in all localities, reduced resources deployment returns, repeated failure on the part of the state to readjust and improve the economic structure, and increasing imbalance between the basic industries and the processing industry; blockades between different localities and barriers between different markets have obstructed the formation of a unified national market; rush purchase of raw materials and ban on the flow of materials in short supply to other localities have driven up prices; the rigid stipulation of central finance has reduced the ratio of the state's financial revenue in the national income to 22 percent and the ratio of central finance in the state's financial revenue to 47.2 percent in the past few years. Meanwhile, the extrabudgetary fund has increased rapidly from a few dozen billion yuan to over 200 billion yuan in 1988. Therefore, in the future reform of the financial structure, we should appropriately raise the concentration level of central finance and increase the macroeconomic regulation and control capability. When conditions permit, we should be prepared to experiment on the system of tax distribution. At present, to stabilize the policy and tide over the financial difficulties of the state, we should take prudent steps in conducting reform. For example, before changing the financial contract structure, we should, in light of the different conditions, appropriately raise the ratio of local contributions to the central financial revenue and reduce some special allowances accorded to the localities by central finance.

In terms of taxation, we should raise the investment tax rates to check unplanned investment growth. It is necessary to rectify and reduce the scope of tax exemption and to change the previous abnormal phenomena characterized by state enterprises paying higher taxes than collective enterprises, which in turn pay higher taxes than self-employed workers. The income tax rates of state enterprises should be appropriately lowered to prevent widespread tax evasions. After reducing the income tax rates of state enterprises, we should abolish the regulatory tax and gradually achieve the shift from pre-tax credit repayment to after-tax credit repayment. Collection and management of taxation should be enforced and severe punishment should be meted out to tax evaders. We should increase the number of tax personnel, improve their quality, and place the taxation departments under the direct administration of the State Administration of Taxation.

While improving the economic environment, easing the contradiction between social supply and demand, and reducing total social demand, we should guarantee and

increase effective supply. To this end, it is necessary to readjust and improve the production structure, resolutely reduce products in excessive supply, and strive to increase products in short supply and those which are readily marketable. However, the current price structure is out of keeping with the demand, with the prices of products in short supply usually being rather low and the prices of products in excessive supply being relatively high. Given that the market guiding role is increasingly obvious, this irrational price structure is extremely unfavorable to the rational readjustment of production structure. Therefore, in the period of economic rectification, especially given that we have achieved initial results in economic rectification, the economy and market tend to stabilize, and the masses expect reduced inflation, it is still necessary to seize the opportunity to resolve prudently and gradually the problem of conspicuous irrationalities in the price structure. We have appropriately raised the purchasing prices of grains and cotton and the producer price of coal this year. Last September, in particular, we raised by a fairly large margin the fares of railroad, civil aviation, and water passenger transport. This is necessary and correct; it has not caused social vibrations or chain reactions in the prices of other things. This fully shows that the price readjustments have been made at the right moment. It also proves that in the period of controlling inflation it is still necessary and feasible to readjust and reform some prices, although major price reform measures can be implemented after the inflation has been basically brought under control and the economic environment as a whole has relatively eased.

Moreover, reforms of the enterprise structure, planning structure, materials structure, foreign trade structure, and so on, particularly the enterprise reform with the improvement of macroeconomic operational returns as the main content, should also be coordinated with the economic rectification and should be continuously carried out.

Rectifying the economic order is an important aspect of economic rectification. In rectifying the economic order, we should focus on rectifying the circulation order and remedying the chaotic situation in the circulation field. This in itself is an important aspect of reform of the circulation structure. The policy decisions taken by the party and government in recent years on strictly straightening out various kinds of companies, particularly those in the circulation field, are quite necessary and correct. We should continuously and resolutely practice them, and on no account should we give up halfway. The focus of rectifying order in the circulation field is to rectify those enterprises and companies engaging in wholesale business. In addition to resolutely abolishing the administrative power (such as the power to distribute materials) of the circulation enterprises and companies and the special policies they enjoy; turning all companies with both government and commercial functions into independent enterprises which are responsible for their profits and losses and which separate government functions from enterprises; and compelling all close relatives

of senior cadres to withdraw from the circulation field, we should also consolidate wholesale enterprises developed by individuals and small collectives in recent years. Obviously, it is necessary to develop self-employed or private enterprises, as well as small collective enterprises, in the circulation field, but their main scope of activities should be limited to retail business. With regard to the most important capital and consumer goods, it seems inappropriate to let individuals or small collectives engage in wholesale business at the present stage, for it is not conducive to the state's efforts to regulate and control the markets. At present, the participation of individual or small collectives in wholesale business could increase the confusion in the circulation link. It can be imagined that if we can attain remarkable results in rectifying the circulation field and in closing the loopholes which cost us several dozen billion yuan in losses a year, we shall be able to bring our country's economy out of difficulties quite quickly.

Regulations Seen as Prelude to Yuan Devaluation

FEC 'Trap' Cited

HK2811042589 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
28 Nov 89 p 1

[By Geoffrey Crothall]

[Text] Regulations prohibiting the conversion of Foreign Exchange Certificates (FECs) into hard currency by foreign organisations in China are being seen by foreign lawyers in Beijing as evidence of a forthcoming devaluation of the yuan.

"The regulations will effectively trap FECs in foreign hands pending the long-rumoured devaluation of the yuan," said Clayton Joy, an American lawyer in the capital.

The regulations, a copy of which has been obtained by BUSINESS POST, have been deliberately kept unpublished to prevent foreigners from getting rid of their FECs.

Sources in Beijing predict the yuan will be pegged at about 4.7 to the U.S. dollar, a devaluation of 25 percent, which would bring the official exchange rate into line with existing rates in China's foreign currency exchange centres.

However, a devaluation may not take place for at least another two months.

The regulations, issued by the State Administration for Exchange Control on October 30, state that while foreign organisations will be permitted to maintain special renminbi accounts, FECs withdrawn from these accounts will not be convertible into foreign currency.

"When foreign organisations withdraw FECs from their accounts, the depository bank will affix a stamp of

'inconvertible to foreign currency' to the relevant exchange memo. The unused FECs shall only be spent in the People's Republic of China," the regulations state.

Resident personnel of foreign organisations—diplomatic, consular, and commercial missions, organs of international bodies and offices of non-governmental organisations in China—and tourists will be permitted to reconvert up to 50 percent of their FECs but only on presentation of exit documents or an air ticket out of China.

"If the personnel do not leave China, their unused FECs shall only be spent within the People's Republic of China rather than converted into foreign currency," the regulations state.

'Minor Uproar' Reported

HK2911024989 Hong Kong SOUTH CHINA
MORNING POST in English 29 Nov 89 p 10

[By David Chen]

[Text] Reports of an impending devaluation of the yuan and the unpublicised practice of limiting the conversion of China's Foreign Exchange Certificates (FEC) into other currencies have caused a minor uproar among those in possession of the FECs.

The devaluation, which the Beijing Government has vehemently denied for several months, is "a fact of life," according to an economist analyst who said the yuan is far overvalued.

According to reliable sources, the devaluation, which is expected to be announced between a week and two months, is to be between 15 and 18 percent, far higher than the previous devaluation of nearly 16 percent in July 1986.

However, the devaluation is expected to be of considerable benefit to Hong Kong as about a quarter of its imports come from China.

Observers said that news of the impending devaluation of the yuan, which is expected to affect the value of the FECs as well, may cause a minor upheaval among many foreign corporations which either maintain business with China, have sole or joint ventures on the mainland and have large amounts either tied up in FECs or in the local currency.

At the same time, they said the devaluation is inevitable given the overheated economy over the past three years which the state has yet been unable to contain.

The present malaise in FECs dates back to the early 1980s when it was introduced both as an inducement to foreign tourists and as a safeguard against local people acquiring foreign products to the detriment of the state.

However, as the reform policies developed, FECs, which were only allowed to be circulated at a few designated points in a limited number of cities open to foreigners,

became de facto legal tender. In most places, they even superseded the yuan as many foreign products could be acquired only with FECs.

At the same time, FECs could also be taken out of the country while it would be an offence to do so with yuan. Hence there has been a large amount of FECs in unofficial circulation outside China.

Since the June 4 Tiananmen crackdown, there has been a sharp reduction in foreign business in China and, with the departure of many foreign businessmen, there has been a sudden demand to convert FECs into foreign currencies.

A fortnight ago, the authorities imposed a ceiling on the amount of FECs that could be exchanged into foreign currencies.

Even a devaluation of 18 percent, a figure several reliable sources have quoted, would be regarded as insufficient as the price index for daily commodities had gone up by more than 30 percent in many areas since the last devaluation of the yuan three years ago, analysts said.

More Foreign Loans Used for Transport Development

*HK2511022689 Beijing CHINA DAILY in English
25 Nov 89 p 1*

[By staff reporter Gao Jinan]

[Text] China, in a renewed move to modernize its transport facilities, is diverting more foreign loans into highway and port construction and renovation projects.

To date, \$538.6 million in loans from the World Bank are being used for highway projects, and another \$485.4 million for port construction, according to officials at the Ministry of Communications.

The highway development involves such major projects as the Beijing-Tianjin-Tanggu Expressway, the Chengdu-Chongqing Highway in Sichuan, the Nanchang-Jiujiang Highway in Jiangxi and the Jinan-Qingdao Highway in Shandong Province.

All these roads will be top-grade highways and will be completed within a few years, the officials said.

According to the ministry's long-term plan, 20,000 to 25,000 kilometres of top grade highways will be built in the coming decades as part of the nation's ambitious modernization programme.

The \$485.4 million will be used in seven port projects at Shanghai, Tianjin, Guangzhou, Dalian, Ningbo and Xiamen.

Completion of the projects will greatly increase cargo handling capacity, officials said.

They said that all these cooperative projects are progressing smoothly. Some are already under construction, while others are at the international bidding stage.

However, they said, some new projects in the transportation industry involving the World Bank and the Ministry of Communications were postponed after the June turmoil in Beijing. They did not elaborate.

The ministry is willing to use more foreign loans for road and water transport facilities constructions, they said.

The ministry, which is in charge of national truckways, waterways and ocean transportation, began to use World Bank loans in 1985.

It is also planning to use loans from the Asian Development Bank and the Japanese Overseas Economic Cooperation Fund.

More than 10 projects between the ministry and the two Asian financial bodies are in the planning stages, they said, but there are some difficulties involved.

Usually, foreign loans account for about 40 percent of the total investment of these projects.

The transportation industry has been a weak link in the national economic development, and Chinese leaders have urged different sectors of the country many times to build more roads and speed up water transportation and construction, but construction funds are always in short supply.

Ministry officials said that using foreign loans is a better and faster way to develop the national transportation network.

Business Guilds Make 'Dramatic Comeback'

*OW0212043489 Beijing XINHUA in English
1308 GMT 1 Dec 89*

[Text] Beijing, December 1 (XINHUA)—Business guilds have made a dramatic comeback to China's urban economy after they faded away with the state's merger of private companies 30 years ago.

An official of the All-China Federation of Industry and Commerce told XINHUA today that the federation has formed about 150 guilds throughout the country since its local organizations started experimenting with the concept in 1987.

As local and non-official bodies, he added, business guilds enjoy great popularity among enterprises and other sectors for their role in serving the country's reform and planned commodity economy.

He said: "The number of business guilds is increasing almost every month, giving indications of strong growth in the near future."

In a resolution adopted by a recent executive committee meeting, the federation pledges to give full support to the development of such guilds and extend the experiment.

Independent organizations with membership open on a voluntary basis, such guilds are designed to bridge businesses with the government and provide services to various localities.

Provincial, Municipal Banks Meet on Overdue Loans

OW2811084489 Beijing XINHUA Domestic Service
in Chinese 0919 GMT 21 Nov 89

[Text] Chengdu, 21 Nov (XINHUA)—The people's banks and specialized banks in Sichuan, Yunnan, Wuhan, and nine other provinces, municipalities, and autonomous regions held a meeting in Emei City, Sichuan Province in mid-November to coordinate their efforts in clearing up overdue loans. The main purpose of the meeting was to clear up the debts overdue between some of the large- and medium-sized enterprises in these provinces, municipalities, and autonomous regions.

During the meeting, 75 agreements on clearing up the overdue loans were signed between these provinces, municipalities, and autonomous regions. These agreements aim to settle 645 such overdue loans, amounting to 807 million yuan when calculated on the basis of the total to be paid by the debtor enterprises.

October Industrial Bank Loans Top \$2 Billion

HK2811003689 Beijing CHINA DAILY in English
28 Nov 89 p 2

[By staff reporter]

[Text] The Industrial and Commercial Bank of China gave out a total of 7.3 billion yuan (about \$2 billion) in loans last month.

About 60 percent of the money was used to support major industrial producers, CHINA DAILY has learned.

The present tight credit policy has caused a nationwide cash shortage. Large State-owned factories, which are considered as the "national team" in the Chinese economy, are waiting for bank loans to help normal operation.

The Industrial and Commercial Bank began to loosen its credit policy last month although loans were still within its annual plan.

It announced earlier this month that it would supply 4.1 billion yuan (\$1.1 billion) as working capital for industrial producers.

Branch banks from 15 provinces and cities reported that they lent 234 key industrial manufacturers a total of 2.7 billion yuan (\$726 million) in October.

These manufacturers included Anshan, Benxi, Baoshan and Ma'an Shan iron and steel works, Qilu Petrochemical Corporation in Shandong Province, Shengli Oil-field, which is China's second largest oil producer, the No. 1 Automobile Plant in Jilin Province and Shaanxi Aircraft Manufacturing Corporation.

Experts Call for Control of Extrabudgetary Funds

OW2711164789 Beijing XINHUA Domestic Service
in Chinese 2232 GMT 26 Nov 89

[By reporter Ding Jianming (0002 1017 6900)]

[Text] Beijing, 27 Nov (XINHUA)—A tally made recently by the Finance Ministry of the final accounts of extrabudgetary funds the country has accrued as a whole shows that in 1988 there was a large increase in extrabudgetary funds, with the total approaching the sum of state budgeted revenue for the year. The use of extrabudgetary funds, however, was not entirely reasonable and expenditures for nonproductive purposes increased too fast.

The statistics show that the 1988 total of extrabudgetary income of the country as a whole reached 236.08 billion yuan, equivalent to 94.8 percent of the state's budgeted revenue for the year and up 33.19 billion yuan compared to the previous year, an increase of 16.4 percent. The year's total extrabudgetary expenditures was 214.53 billion yuan, up 30.45 billion yuan compared to the previous year and an increase of 16.5 percent. A balance between revenue and expenditure showed a surplus of 21.55 billion yuan for the year, with the running balance at the year's end totaling 163.74 billion yuan in the black.

A review of 1988 extrabudgetary income and expenditure shows that the amount of extrabudgetary funds in the hands of state enterprises and the departments in charge of them and the amount controlled by the administrative units, institutions, and local finance departments had all increased to some extent. Of this, the extrabudgetary income of state enterprises and the departments in charge of them totalled 187.289 billion yuan, up 24.71 billion yuan from the previous year, representing an increase of 15.2 percent. The extrabudgetary income of administrative units and institutions reached 43.89 billion yuan, up 8.05 billion yuan compared to the previous year, an increase of 22.5 percent.

The increase of the country's extrabudgetary income in 1988, which exceeded the rate of growth of the budgeted income of the state, was too fast. While this was due to various reasons such as the development of production, circulation, and various undertakings, there were also some unreasonable factors in the form of improper sources of such extrabudgetary funds. For instance, some enterprises, taking advantage of the state policy granting a reduction of taxes and exemption of delivery of profits to the state, dodged tax payments, indiscriminately included all expenses in the cost of production, and hid their income. Some administrative units and institutions, taking advantage of the policy for relaxation of control and economic invigoration, used various pretexts to increase the categories and scope of the collections of fees and moved up the ceilings for fee collections. They also listed what should be budgetary income as extrabudgetary income.

It has been learned that there was some improvement in terms of the direction of the flow of funds, but the structure of expenditure was still not very reasonable. The expenditure for extrabudgetary investment in fixed assets rose 10.1 percent as compared to the previous year. Expenditure in the four nonproductive categories of welfare, awards, operations, and administration increased 20.4 percent as compared with the previous year, a growth rate that was still too fast.

Some experts point out that the sustained high rate of increases in the country's extrabudgetary funds seen in the recent years has played a positive role in speeding up the enterprises' technological transformation, promoting lateral economic cooperation, advancing the development of public welfare undertakings and making up for the financial deficits incurred by the local governments. It should be noted, however, that the direct consequences of an excessive increase in extrabudgetary funds will be to cause the state financial strength to stretch too thin and leave too little room for the state to maneuver when budgeting finances. In particular, because the structure of expenditure of extrabudgetary funds has not been reasonable, the fast growth of extrabudgetary funds has become a major contributing factor behind the current phenomenon in which there is excessive investment in fixed assets and an excessive growth of funds for consumption, and the institutional purchasing power has grown out of control.

The experts note that the amount of extrabudgetary income accrued by the country as a whole now accounts for 20 percent of the gross national income, as compared to 13.4 percent in 1979. They hold that the excessive increase of extrabudgetary funds will work against the state's effort to bring about an overall balance of the national economy. It is also detrimental to the state's effort to ensure the construction of key projects. For this reason, these experts suggest that what needs to be done at present is to scale down the scope of extrabudgetary funds, readjust the ratio between budgetary and extrabudgetary funds, include in the budget those funds which are listed by the administrative units and institutions among categories of extrabudgetary funds and which are of considerable amount and can yield fairly large surpluses. As for various special funds under the control of some departments, they should also be placed under financial control to facilitate better supervision over and guidance for their use. In addition, legislative work should be stepped up to standardize and legalize the management of extrabudgetary funds.

Statistics Bureau Reports on November Production

OW0712094289 Beijing XINHUA in English
0846 GMT 7 Dec 89

[Text] Beijing, December 7 (XINHUA)—China's industrial production picked up by 0.9 percent in November from the decline of the previous month, the State Statistics Bureau announced here today.

A bureau official said the value of industrial output totalled 109.6 billion yuan (about 29.5 billion U.S. dollars) last month, with an average daily output of 3.65 billion yuan (985 million U.S. dollars), up 0.1 percent on the previous month's figure.

The official ascribed the growth to efforts made by industrial departments to boost production, to new loans to industrial enterprises and to a brisk season for processing farm produce and animal products.

Analysts said industrial growth was registered mainly in rural industry and other collectively- or privately-owned sectors. Collective industry had an output of 36.8 billion yuan (about 994 million U.S. dollars) last month, up 1.1 percent. Other sectors were up by 19.2 percent.

However, state-owned enterprises had an output of 68 billion yuan (about 18 billion U.S. dollars) in November, a fall of 0.4 percent.

As for industrial products, growth was registered mainly in light, textile and basic industrial products.

November saw an increase of 0.2 percent in light industrial output, bringing it to 55.6 billion yuan (about 15 billion U.S. dollars). Output of cotton yarn, silk, sugar, cigarettes and canned food grew between 4.8 and 14.6 percent.

In the heavy industry sector, coal grew by 7.8 percent, crude oil by 1.2 percent, natural gas by 5.6 percent and electricity by 11.6 percent.

Steel, rolled steel, alloy, pig iron and nonferrous metals grew between 9.1 and 22.4 percent.

Statistics provided by the bureau show that the value of industrial output amounted to 1176.45 billion yuan (317.8 billion U.S. dollars) between January and November, seven percent more than that for the same period last year.

Industrialists said November's growth does not mean that the whole of industry has climbed up from the low because state-owned industry still suffered a decline and its products still could not find a good market.

They suggest that the government should continue to enhance the policy of supporting large and medium-sized enterprises, and that businesses should give priority to improvement of the product mix and quality.

Corporations Seek Tungsten Monopoly

HK2811003489 Beijing CHINA DAILY in English
28 Nov 89 p 2

[By staff reporter Ren Kan]

[Text] China, the world's largest tungsten producer and exporter, is gearing up new efforts to stabilize world tungsten prices, according to the China National Non-ferrous Metals Imports and Export Corporation (CNIEC).

The Ministry of Foreign Economic Relations and Trade (Mofert) is planning to authorize the CNIEC, the China National Metals, Minerals Import and Export Corporation (CNMMIEC) and another two corporations to monopolize exports of ferro-tungsten and tungsten acid.

Cai Wei, a CNIEC official, told CHINA DAILY that Mofert would also issue export licences to prevent the two products being smuggled out of the country.

With these measures, China hopes to end competitive exports in low prices and smuggling activities by depriving export rights to companies outside CNIEC and CNMMIEC.

China's action comes at a time when the price of ferro-tungsten has dropped to \$5 a kilogram on world markets compared with \$5.6 a year ago.

China's exports of tungsten ore and products account for half of the total world sales.

A slight change in China's export policy may affect not only world market supply but also prices.

However, previous competition between Chinese companies to sell tungsten abroad by lowering prices also caused heavy losses in China's foreign exchange earnings, Cai said.

To stabilize world market prices and control exports, the China Commerce Chamber for Export of Tungsten Ore and Products will set domestic export prices for ferro-tungsten and tungsten acid on the basis of the world market.

In another move, the country is planning to reduce its tungsten and tungsten products exports and strictly control the consignment stock.

Although Cai declined to specify the amount China exports, he said the country has exported less tungsten ore and its products this year compared with last year.

He said China has been making great efforts to stabilize the world tungsten market in recent years.

In 1987, Mofert issued a regulation ordering that the export of tungsten ore and ammonium paratungstate, the main products for export, be handled only by CNIEC and CNMMIEC.

And the ministry issued export licences with the chamber's signature to prevent smuggling.

State Council Approves Energy-Saving Projects

OW2811212489 Beijing XINHUA in English
1511 GMT 28 Nov 89

[Text] Beijing, November 28 (XINHUA)—The State Council has recently ratified the building, upgrading or enlarging of 43 small energy- and material-saving projects, according to an official from the energy-saving company of the State Energy Investment Corporation.

Deputy general manager of the company Huai Litian said that the state pays special attention to the saving of energy and raw materials. This year the state's energy-saving investment remains at last year's level, and the 850 million yuan investment needed for the newly ratified 43 energy-saving projects has already been raised.

The 43 projects cover power generation, heat supply, steel saving, energy saving and comprehensive use of energy in rural areas. These projects will also help to alleviate environmental pollution.

Western Nan Hai's Oil-Gas Exploitation Viewed

HK0312204689 Hong Kong TA KUNG PAO
in Chinese 27 Nov 89

[Report by reporter Wang Jian (3769 0256): "New Hope of Oil-Gas Exploitation on Western Nan Hai"]

[Text] Zhanjiang, 26 Nov—Guangdong's Zhanjiang-based Western Nan Hai Oil Company, with the joint efforts of foreign oil companies, has made a new breakthrough in the survey and exploitation of offshore oil and natural gas in the western sea waters of the Zhu Jiang estuary basin, Yinggehai, and Baibuwan in Nanhai. Geological data give a new blueprint of bright prospects and new hope for the newly opened areas.

New Oilfield Discovered in Baibuwan

Since oil was first produced 4 years ago in Nan Hai's first oilfield, namely the Wei [3246] 10-3 Oilfield, more than 1 million tons of crude oil have been exploited. The Chinese side became the operator of the said oilfield in August last year, operating, producing, and managing on its own. Many foreign oil specialists have inspected the Wei 10-3 Oilfield and concluded that it is up to the world's standards in offshore oil exploitation. Four foreign oil companies have made bids for constructing the Wei 10-4 Oilfield project, which Nan Hai Western Oil Company is to operate on its own. At present, terms assessment is under way.

With the joint efforts of the Nan Hai Western Oil Company and the Norwegian National Oil Company, the Wei 10-2 Oilfield has been newly discovered 4 km north of the Wei 10-3 Oilfield. A new well there yields a daily output of 830 cubic meters. Both Chinese and foreign experts believe that this is a new area full of hope; a large oilfield is likely to be found there. North of the Wei 10-3 Oilfield is a great fracture. It used to be believed that it was impossible for oil-gas resources to move to the rising zone north of the great fracture. However, the discovery of the Wei 10-2 Oilfield has broken through the forbidden area of oceanic geology and verified that the said fracture falls into the category of ancient latent lava cave structure, with its limestone oil field developing well and a great oil length. It has become a new find in the pit of the southwestern part of Beibuwan, a large oilfield at that, which inspires new hope.

Large Gas Field in Yinggehai Has Been Proven

Rather satisfactory results have been made in the drilling of the No 6 assessment well in the southern part of the Yinggehai Yan [1484] 13-1 Gas Field, with the cooperation between Western Nan Hai Oil Company and the U.S. Arco Company, with a high yield of natural gas; consequently, the deposit of the Yinggehai Gas Field has greatly increased. It has been proven that the Yinggehai Yan 13-1 Gas Field has a sound basis for exploiting 100 billion cubic meters of natural gas.

Exploitation of the Yinggehai Yan 13-1 Gas Field has been determined. Now buyers are sought in the world market. According to reliable sources, it has been decided that a natural gas liquefaction factory is to be built in Hainan. There will be buyers in the Japanese market, and consultation on prices is under way.

ESSO's Breakthrough in the Wenchang Structure

The exploitation of the Yinggehai Gas Field will take place soon. The British BP Oil Company has cast its eyes on western Yinggehai. Frequent contacts have been made on surveying and exploiting the natural gas in this area. It is estimated that an accord will soon be initialled on exploitation in cooperation.

Drilling has been going on in the cooperation between Western Nan Hai Oil Company and the U.S. ESSO-Shell (Group) in the Wenchang 9-2 structure of the contracted zone in the western part of the Zhu Jiang estuary. Its structure has been found to be rich in oil and gas. Drilling has now reached an oil-gas layer, with natural gas in the main, along with the discovery of voluminous condensate oil.

Wenchang area to the west of the Zhu Jiang Estuary is located between Wenchang, Hainan, and Yangjiang Country in western Guangdong. It lies 170 km away from either Wenchang or Yangjiang. Chinese and foreign oceanic oil specialists have acquired geological data on the Wenchang 9-2 structure. They forecast that the natural gas deposit in this area will not be inferior to the Yinggehai Gas Field. Moreover, the natural gas in Wenchang area falls into the category of oilfield gas, which is the ideal raw material for producing ethylene. It is estimated that scientific assessment on Wenchang's geological deposit of natural gas will come out next year on the basis of further drilling.

The Momentum for Development Will Be Still Faster Next year

In an interview with this paper's reporter, Western Nan Hai Oil Company General Executive Wang Yan [3769 1750] said that since oceanic oil-gas resources were exploited in western Nan Hai in Sino-Foreign cooperation, a sound momentum for development has been maintained. Looking forward to 1990, the work volume of surveying and exploitation will be greater still, with faster rate in development. More international partners

in oil exploitation will join the ranks in development of the oil-gas resources in the western part of Nan Hai.

Tian Jiyun Comments on Agricultural Production

HK2811003289 Beijing CHINA DAILY in English
28 Nov 89 p 1

[By staff reporter Wang Dongtai]

[Text] The State will step up development of comprehensive agricultural production without dropping the farmers' household contract system, which has been functioning since 1980, Vice-Premier Tian Jiyun announced in Beijing yesterday.

Tian told the opening session of the National Conference on Comprehensive Agricultural Development that in the country's new agricultural development projects—launched recently in 18 provinces and autonomous regions—farming should be conducted on a larger scale.

Last year, the State Council established a comprehensive agricultural development fund with taxes collected from non-agricultural users of farmland. The agricultural development fund is used to finance 19 projects, which include 11 projects launched last year in the Huang-Huai-Hai (rivers) Plain of North China, the Sanjiang (Three-River) Plain in the Northeast, the Songliao Plain in Jilin Province, and other areas in Zhejiang Province and Guangxi and Xinjiang autonomous regions.

The agricultural development fund further financed another eight projects this year in Sichuan, Hubei, Hunan, Jiangxi, Shandong and Hainan provinces and Ningxia and Inner Mongolia autonomous regions.

The 19 development projects launched this year and last are designed to improve altogether 4 million hectares of low-yield farmland, open up 660,000 hectares of virgin land for agricultural production, plant 530,000 hectares of trees as wind-breaking belts, and 100,000 hectares of grassland.

When the projects are finished, 12.5 million tons of grain, 200,000 tons of cotton, 500,000 tons of vegetable oil, 12 million tons of sugar and 300,000 tons of meat will be added to the country's annual agricultural output.

Tian Jiyun said that agricultural development is the most important task in the country's three-year adjustment. For the past several years, Tian said, the yearly grain output has been around 400 million tons and cotton around 4 billion kilograms. If weather helps, grain output will increase by five to 10 million tons and if weather does not help, output will fall five to 10 million tons each year.

Tian said it is vital for China to improve agriculture and promote comprehensive farm production. There are still great potentials for agricultural development, Tian said.

The government will continue to encourage whoever, individuals and collectives alike, to prosper as quickly as

possible. And the government also encourages healthy development of rural enterprises which are important to rural development, the Vice-Premier said.

Contract Grain Procurement Policy Reaffirmed

*OW2911083989 Beijing XINHUA Domestic Service
in Chinese 1249 GMT 28 Nov 89*

[By RENMIN RIBAO reporter Pan Gang (3382 1511) and XINHUA reporter Chen Yun (7115 5366)]

[Text] Beijing, 28 Nov (XINHUA)—He Jihai, vice minister of commerce, announced here today: The quantity of grain to be procured by contract in 1990 will remain unchanged, and the policy of linking such procurement to the sale of chemical fertilizer and diesel oil as a reward and to the issuing of earnest money for grain procurement by contract will be continuously implemented. The central authorities' criteria for the sale of chemical fertilizer and diesel oil as a reward will not be changed, nor will the grain system.

He Jihai said: The stress of work for the grain departments in 1990 will be to stabilize the policy of grain contract responsibility [liang shi bao gan zheng ce 9037 7380 0545 1626 2398 4595], do a good job in procuring and selling grain and cooking oil, and make adequate arrangements for the daily life of the people.

People in various localities reported that grain prices on the market were rather higher and that the central authorities' subsidies for grain purchased at negotiated prices were inadequate. In dealing with this, He Jihai said: The State Council has made it clear that the central authorities will not increase these subsidies and that this issue should be settled by local authorities themselves in order to facilitate the control of grain sales, promote the development of production in areas insufficient in grain, and raise the level of self-sufficiency.

When the 1988-90 period of grain procurement, sales, and allocation and the financial responsibility system for this period in this regard is over, will the grain contract responsibility system continue to be implemented or will other measures be adopted? He Jihai said: We believe that implementation of the grain contract responsibility system is conducive to bringing the initiative of both the central and local authorities into play and that it is also good for promoting rational agricultural restructuring, developing grain production, controlling grain consumption, and raising the self-sufficient level in grain-insufficient areas. If the responsibility system were not implemented, the central authorities would have to deal with surplus grain in various parts of the country; in that case, it would be difficult to meet the needs of the people in both variety and quantity. He said: The concrete measures for this responsibility system need to be further improved.

Best Harvest Since 1984 Forecast

*HK2911133389 Beijing ZHONGGUO XINWEN SHE
in Chinese 0657 GMT 21 Nov 89*

[Report by reporter Jing Xiaolin (2529 4562 2651): "A New Favorable Turn in China's Agriculture"]

[Text] Beijing, 21 Nov (ZHONGGUO XINWEN SHE)—This year, China is expected to reap another good grain harvest, with total grain production exceeding 400 million tons. This means production will reach a record high since 1984, when total grain production exceeded 400 million tons for the first time.

According to some officials of the departments concerned, although total grain production will be slightly lower this year than the record high reached in 1984, grain production, which has stagnated for 4 successive years, is expected to take a fundamental turn for the better.

Official statistics show that this year's summer grain production reached an all-time high. China also reaped a good harvest of early rice. If the two figures are added together, total grain production reached 146 million tons this summer, an increase of 3.51 million tons over the corresponding period last year. Regarding autumn grain production, while the south has increased its grain output and the northwest has reaped a good grain harvest this autumn, the northeast has suffered a slight decrease in its grain production. However, overall, total grain production has increased by a large margin this year as compared with last year.

This year, production of economic crops has also shown a significant improvement compared with last year. Initial statistics show that although the cotton sowing area has decreased, cotton production has basically equaled or even exceeded that of last year. Tea and fruit production are much higher than last year. Furthermore, live pig and aquatic product outputs have also increased by a large margin compared with last year.

At present, various regions are actively carrying out farmland capital construction and the construction of water conservancy works. Official statistics issued at the end of October showed that by then China had built, improved, or restored irrigation networks on more than 8 million mu of farmland, a 60 percent increase over the corresponding period last year. Moreover, some 3 million mu of waterlogged farmland had been drained and soil erosion had been arrested on some 2,700 square km of farmland. All these achievements have combined to lay a solid foundation for a sustained development of agricultural production next year.

1.5 Billion Yuan Investment Set for Agriculture

*HK2711014389 Beijing CHINA DAILY in English
27 Nov 89 p 1*

[By our staff reporter Wang Dongtai]

[Text] China's central government is to invest another 1.5 billion yuan (about \$405.4 million) before the end of this year in agricultural development projects in nine provinces and autonomous regions, according to officials from the agriculture and finance ministries.

The money was raised from taxes imposed this year to provide for agricultural developments. One billion yuan came from tax collected for the use of farmland and another 500 million came from tax collected from capital construction projects not listed in the State plan.

The investment will be used to increase output of grain, cotton, oil, sugar and meat in the selected regions.

This year's regional development projects include the mountain areas in Sichuan Province, the southern area of Hunan, the Jiangnan Plain, the four northern counties in Hubei Province, and the central and southern parts of Jiangxi Province.

The four regions in the east of Inner Mongolia, the flooded area in Ningxia Hui Autonomous Region, the lake area in Wuhan, and the Yellow River area in Shandong Province are also included.

Investment in regional development is one of the government's efforts to increase output of agricultural products, said Xiang Tao, deputy director for Agricultural Regional Planning with the Ministry of Agriculture.

In the mountain areas in the centre of Sichuan Province, for example, the development project aims to increase grain yield with new irrigation constructions and better seeds.

China's economic growth and population growth demand more and more output of grain, Xiang Tao said. Because of population growth, he said, the per capita share of the nation's annual grain output has decreased from the 1984 figure of 395.5 kilograms to last year's 362 kilograms.

In the past five years, agricultural output has not increased whereas population added more than 60 million. And the country has to increase grain output by 10 billion kilograms annually if it wants to raise annual per capita grain share to 400 kilograms by the turn of century, Xiang said.

There are 13 million hectares of virgin land which could be cultivated for grain production. But most of this land lies in remote areas where geographical conditions are prohibiting.

Another way to increase grain output is to reform low-yield farmland, use more advanced technology and build better irrigation networks.

Agriculture Minister He Kang said in an article that in the next 10 years, China will try to improve two million hectares of low-yield farmland a year and build up another 600,000 hectares of farmland.

Nationwide Irrigation Campaign Under Way

OW2511145289 Beijing XINHUA in English
1032 GMT 25 Nov 89

[Text] Beijing, November 25 (XINHUA)—A nationwide campaign of construction of water conservation works is now under way all over China to ensure the country will have good harvests next year.

A total of 40 million farmers have been mobilised. They had extended irrigated areas by more than 533,000 ha, improved 200,000 ha of waterlogged lowland and 120,000 ha of saline-alkali fields and tackled 2,700 sq km of eroded areas by the end of October, according to the Ministry of Water Resources.

In Xiyang County, Shanxi Province, 55,000 peasants and 920 tractors and bulldozers have been used to improve land and build irrigation systems.

Xiyang County has made great efforts to build "sponge fields" with one foot of mature top soil. This method was developed by the people of Dazhai, a national "pacesetter" for agriculture in the 1960s. The soil of the sponge land is loose and well aerated and can prevent water erosion. Such a technique is suitable for the hilly land in the county, which often suffers from drought.

In Xinzheng County, in central China's Henan Province, people are busy laying underground plastic tubes for irrigation because they have found such facilities can save water, electricity and land. Last year the county laid 300,000 m of such plastic tubes and plans to lay 250,000 m more this year.

Zhang Haiqin, county head, said that this year the farmers are very active in water conservation construction and have raised 5.41 million yuan (about 1.4 million U.S. dollars) for the work.

Zhang said that the reason for that is that the central government attaches great importance to the work and has raised the purchase price of grain this year, which means the farmers can earn more next year.

The people of Xinmin County in northeast China's Liaoning Province have put emphasis on digging more pump wells. Zhang Hengguo, leader of Wuniu Village, said this year the village has received 100,000 yuan in loans from the state bank, and raised 320,000 yuan among the farmers. The local people have dug 20 pump wells this year.

The peasants in Gansu Province have concentrated their efforts on building terraced fields because of the hilly conditions there.

East Region

Jiangsu Holds Party Congress 23-23 Nov

OW0612195289 Nanjing Jiangsu Provincial Service
in Mandarin 1015 GMT 24 Nov 89

[Text] The Seventh Jiangsu Provincial CPC Committee held its Ninth Plenary Session in Nanjing on 23 and 24 November. After serious discussion, the session adopted a resolution on implementing the guidelines of the 5th Plenary Session of the 13th CPC Central Committee.

The session demanded: Party organizations at all levels and all CPC members in the province should continue to implement the line, principles, and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee, seriously study and carry out the documents of the 5th Plenary Session of the 13th CPC Central Committee, and truly identify their thinking and understanding with the guidelines of the 5th plenary session. Party organizations and party members should firmly adhere to a guiding principle of achieving a steady and coordinated economic development, resolutely take the enhancement of efficiency as the central task of economic work, consider Jiangsu's reality, correctly analyze its economic situation, face difficulties squarely, and see the favorable conditions for overcoming the difficulties. They should bring into full play subjective initiative and creativity; implement in an all-around way the principle of improving the economic environment, straightening out the economic order and deepening the reform; and take effective measures to improve the economic environment and straighten out the economic order.

The session emphasized the necessity of strengthening the party leadership and further promoting ethical integrity and the party work. It called on party members, cadres, and people in the province to unite closely around the party Central Committee with Comrade Jiang Zemin as the nucleus; seriously carry out the tasks and measures for improving the economic environment, straightening out the economic order, and deepening the reform; and work hard to achieve new successes in reform, opening to the outside world, and socialist construction in Jiangsu Province.

The session agreed in principle that the report on the work of the Seventh Jiangsu Provincial CPC Committee will be submitted to the Eighth Jiangsu Provincial CPC Congress for deliberation. The session decided that the Eighth Jiangsu Provincial CPC Congress will be held in Nanjing on 20 December 1989.

Han Peixin, secretary of the provincial party committee, presided over the session and addressed its closing meeting. Present at the session were members of the Standing Committee of the provincial party committee, including Chen Huanyou, Deng Hongxun, Sun Jiazheng, Cao Hongming, Yue Dewang, Hu Fuming, and Gu Hao, and members and alternate members of the provincial party committee. Members of the provincial Advisory Committee and the provincial Discipline Inspection

Committee and responsible comrades of the departments concerned attended the session as non-voting delegates.

Jiangsu Forecasts Record Fall Grain Harvest

OW0212153689 Beijing XINHUA Domestic Service
in Chinese 1321 GMT 21 Nov 89

[Text] Nanjing, 21 Nov (XINHUA)—The output of autumn grain will reach a record high in Jiangsu this year. According to estimates of the provincial group for social and economic surveys in the rural areas, the total grain yield of the province's 52 million mu of autumn grain acreage will produce 23.3 million metric tons of grain this year, an increase of 6.2 percent over 1988 and more than 3 percent over the previous peak year of 1986. Thus, with its total grain yield reaching 32.63 million metric tons—an output which is 196,000 metric tons higher than that of 1988—Jiangsu will attain its goal of compensating for the sharp drop in summer grain output with its autumn yield.

Jiangsu was repeatedly attacked by all kinds of natural onslaughts this year, and its summer grain output dropped by more than 1.12 million metric tons due to rain and flooding during the latter stage of production. Confronted with the gravity of the situation, the provincial party committee and the provincial government issued the slogan of "Upholding the annual output target and compensating for the summer deficiency with higher output in the fall." Guided by this slogan, each and every person in the province turned the pressure into driving power. Pulling themselves together, they made concerted efforts and launched a mammoth campaign to "compensate for the summer deficiency by exceeding the autumn target." In addition to expanding the autumn grain crop acreage by nearly 600,000 mu, the province also expanded the acreage of the high yield autumn grain and reversed the 2-year trend of reducing rice acreage. On the basis of applying conventional agricultural science and technology in production, all localities made great efforts to disseminate new techniques for boosting output, promoted the use of fine seed strains, and intensified the management of the fall crops and pest control. It was reported that the per mu grain yield reached a record 423 kg in Jiangsu this fall.

The bumper autumn grain crop in Jiangsu can also be attributed to the local authorities' greater support for agricultural production this year. In addition to the 536 million yuan, an amount which was 24.5 percent over that of last year, earmarked by various local governments for agricultural production, the provincial government spent 62 percent of the foreign exchange reserves at its disposal for the purchase of chemical fertilizers, agricultural chemicals, and plastic sheetings from abroad. The supply of materials for agricultural production has noticeably increased over last year. During the course of various emulation campaigns for higher output in various cities, counties, and townships, leading party and government cadres were often seen working with

agricultural technicians and peasants in developing high yield plots. In many places in Jiangsu, top leaders of party and government departments have made it a practice to take personal charge of agricultural production.

Commentary Urges Support for Jiangxi Agriculture

*OW0312044589 Nanchang JIANGXI RIBAO in Chinese
13 Nov 89 p 1*

[Short commentary: "Have a Correct Understanding and Support Agriculture Wholeheartedly"]

[Text] An important aspect in attaching importance to agriculture and supporting and developing it is to broaden the channels of circulation for farm and sideline products and to keep them unblocked. In recent years, governments and concerned departments at various levels have done a lot of work and made some achievements in this regard, receiving praise from the broad masses of peasants.

However, there are still some problems in the circulation of farm and sideline products. Regardless of the regulations laid down in explicit terms by higher authorities and proceeding from their local "interests" and evil intentions, some localities and departments wantonly set up checkpoints to collect fees without authorization, which increases unreasonable burdens for peasants in the circulation of farm and sideline products. This has seriously dampened peasants' enthusiasm in production as well as the enthusiasm of those working in the circulation of farm and sideline products. It has also affected the development of agricultural production to a certain extent. Governments at various levels have repeatedly stipulated in explicit terms that no unauthorized checkpoints are allowed to be set up in the circulation of farm and sideline products or to wantonly collect fees from peasants in order to protect their interests. Why does such a phenomenon continue to exist despite repeated prohibitions? One important reason for this is that some people have yet to really establish the concept of "attaching importance to agriculture and supporting and developing it." In so doing, they actually restrict or even undermine agricultural development, which is obviously wrong.

The communique of the 5th Plenary Session of the party's 13th Central Committee pointed out: "It is particularly necessary to promptly bring about an upsurge in attaching importance to agriculture and supporting and developing it and to make concerted efforts to push agriculture forward." We must implement in our practical work the guidelines laid down by the 5th Plenary Session of the party's 13th Central Committee. While doing a good job in winter agricultural production, governments at various levels should strengthen their leadership over the purchase and marketing of farm and sideline products. It is time to harvest oranges and tangerines and to purchase and sell them. Local authorities should act according to an "emergency circular" issued by the general office of the provincial government

and take effective measures to purchase, transport, store, and market oranges and tangerines. Unauthorized checkpoints must be resolutely removed and the wanton collection of fees must be thoroughly stopped in order to ensure that peasants increase their income with increased production. This will protect the peasants' enthusiasm in production.

Of course, one important state tax policy is to levy a tax on special farm and forest products. Therefore, it is necessary to set up checkpoints on certain roads and is proper for inspectors to conduct an inspection according to law. Concerned departments and personnel should positively support them. However, all checkpoints must strictly implement the relevant regulations of the provincial government and they must not go their own way and do whatever they like; much less must they seize an opportunity to extort money from peasants in an attempt to gain ill-gotten wealth. Personnel at the Toupi checkpoint in Guangchang County and the Huangshi checkpoint in Nancheng County willfully stopped peasants transporting oranges and tangerines to other provinces for sale and arbitrarily collected fees from them in violation of relevant regulations. When these incidents were reported in this newspaper, the party committees, governments, and relevant departments of the two counties investigated the incidents and apologized and returned the money to the peasants concerned within 3 days. Such quick action in correcting mistakes is praiseworthy. It is hoped that local authorities in places where similar incidents have occurred will understand and correct such mistakes and take practical action in supporting agriculture. There will certainly be great prospects for agricultural production as long as people in all trades and professions really attach importance to agriculture and support it.

Shanghai Students Participate in 'Social Practice'

*OW0212153189 Beijing XINHUA Domestic Service
in Chinese 0717 GMT 24 Nov 89*

[By reporter Liu Jun (0491 6511)]

[Text] Shanghai, 24 Nov (XINHUA)—"They leave their campus to understand the situation of the country and the society." Some 10,000 students of Shanghai Jiaotong University, Fudan University, Shanghai Tongji University, East China Teachers' University and other schools of higher learning in Shanghai have gone to factories, rural areas, and residential neighborhoods to take part in various activities of social practice. At a recent meeting to study and discuss the integration of professional theories with practice, many representatives of university students questioned themselves in light of the turmoil and were deeply convinced that it is very necessary to understand the situation of the country and feelings of the people by taking part in social practice.

The educational departments and procurators' offices in Shanghai made arrangements to select 200 graduating students and graduate students as the first group to take

part in the work of insuring honesty in performing official duties and punishing bribery and embezzlement. Those among the first group are from Fudan University, Shanghai Finance and Economics University, Shanghai University, and East China Institute of Politics and Law. They majored in law, economics, accounting, and auditing. In early October, they went to procuratorates in Jingan, Huangpu, Luwan, Xuhui, and seven other districts, and to Shanghai and Nanhui counties to take part and temper themselves in the frontline of struggle against embezzlement and bribery. Some university students said that taking part in the actual handling of cases in the past few months has allowed them to personally see that the party and government have determined to exert great efforts to ensure honesty in performing official duties and to punish embezzlement and bribery. A graduate student of the Department of Economics of Fudan University said that taking part in eliminating embezzlement and bribery allows students to receive a very good education in the legal system.

The 160 students of the Department of Ship Engineering and the Department of Oceanography of the class of 1986 of Shanghai Jiaotong University participated in practice at Shanghai Jiangnan Shipyard in September. At the shipyard, they learned China's history of ship-building over the past 100 years and the building of the enterprise through arduous efforts by the staff members and workers of the shipyard, especially since the 3d Plenary Session of the 11th CPC Central Committee. They learned how the shipyard achieved success in building 10,000-ton oceanliners with Chinese technology and Chinese-made equipment, and how our shipping industry is gaining position in the international market. They were greatly encouraged by those deeds. A female student specializing in the shipping industry said that, in the past, university students were not sure whether they could use their knowledge at the grass-roots level or not, but now they realize that there are a lot of things to do at the enterprise level. She pledged that she would make contributions to developing China's shipping industry in a solid manner.

Recently, in order to study how to further improve ways and methods for university students to take part in production practice, Shanghai Vice Mayor Xie Lijuan and other responsible persons visited Shanghai Diesel Engine Plant, Shanghai State Cotton Plant No 22, Shanghai Yimin Food Plant, and other units to establish a number of bases for practice by students of science, engineering, and liberal arts in the fields of machinery, electrical engineering, and chemical and textile industries. They also studied and formulated policies for promoting mutual benefits between related schools and enterprises so as to meet the needs of social practice and on-the-job training by students of the 51 schools of higher learning in Shanghai.

Shanghai Reports Enterprise Consolidation

OW0212131389 Shanghai City Service in Mandarin
2300 GMT 23 Nov 89

[By station correspondent Lin Zongcun]

[Text] Shanghai has carried out in-depth the work to screen and consolidate companies. The first 400 companies have already been closed, including 209 which have been disbanded or merged with other companies and 191 which have been downgraded from companies. At the same time, 222 companies have had their management scope reduced, while 77 have had their wholesale business abolished. Of the first batch of 400 companies closed, some were run by party or government organizations, some collectively owned in name but individually-run in actuality, some did not have the qualifications for being a company, some had redundant businesses, some illegally divided up profits, and some violated laws and discipline.

The municipal leading group for screening and consolidating companies has called on the disbanded companies to immediately close the business and then set up liquidation teams under the supervision of competent authorities for checking financial claims, debts, and assets, which should be accounted for by the auditing organ. The disbanded companies are strictly forbidden to exploit the opportunity of closure to abscond with funds, illegally divide up financial and material resources, give promotions in job grade or wages, indulge in waste or extravagance, or alter or destroy account books, statements, reports, and receipts. Any violation will be severely punished. Companies which are allowed to continue operations through mergers should be supervised by special departments. The competent authorities should reexamine the management scope and decide on the management direction of merged companies to ensure that they do business according to the law and that they do not engage in reselling at a profit. Wages, bonuses, subsidies, and fringe benefits of the merged companies should, in principle, be issued according to the standards of enterprises in the same category.

The 85 cadres at and above the county and bureau levels who held concurrent jobs in companies all resigned before the end of last August in line with the requirement banning concurrent jobs. The 138 bureau level cadres who retired to the secondary line and held concurrent jobs, and cadres at and below the section level, have also resigned from the companies.

Shanghai Prepares Campaign Against Six Vices

OW0312041989 Shanghai City Service in Mandarin
1000 GMT 9 Nov 89

[From the "News and Weather" program]

[Text] Public security organs in Shanghai will launch a campaign against the six vices in accordance with the unified planning of the Ministry of Public Security.

The six vices refer to these six social evils and crimes: prostitution and patronizing prostitutes; producing, selling, and disseminating pornographic materials; abducting and selling women and children; producing, consuming, and selling narcotics; sponsoring group gambling; and swindling people's money by means of superstitious beliefs of feudal society.

Sun Gui, spokesman for the Shanghai Municipal Security Bureau, pointed out: Security organs have never stopped fighting the six vices, but on the whole these vices have not been effectively controlled and some of them have even spread, causing extremely great harms to society. For example, prostitution and patronizing prostitutes, a phenomenon that completely disappeared for some time in the past, not only has reappeared in recent years, but also has become more widespread. This not only tarnishes Shanghai's international image, but also gives rise to the spreading of venereal disease. The proliferation of gambling activities is a great cause of crimes. Presently one-sixth of the criminals being handled by security organs in Shanghai are gamblers who, because of gambling losses, have committed larceny, robbery, homicide, and other crimes. The spreading of the six vices is a particularly serious influence among young people.

The current fight against the six vices will proceed in two stages according to Shanghai's actual situation. The first stage will last from now to the end of the year. In combination with the campaign to wipe out pornography, efforts will be concentrated on banning prostitution and patronage of prostitutes and the production, sales, and dissemination of pornographic materials. The second stage will last from the New Year Day of 1990 to the Spring Festival period. During that period, efforts will be directed to banning feudalistic and superstitious activities.

In a radio and television speech he made today, Li Xiaohang, director of the Shanghai Municipal Security Bureau, called on people of all circles in Shanghai to support public security organs and work in coordination with them in wiping out the six vices.

He said: Wiping out the six vices is an important measure for intensifying socialist spiritual construction and a grave struggle against the inroads and infiltration of decadent capitalist ideology and the concept of peaceful evolution. It is an important project having a close bearing on the healthy growth of the younger generation and on the nation's lasting peace and stability. It is also a project people in Shanghai are concerned with and want the people's government to deal with resolutely.

Li Xiaohang said: The drive to wipe out the six vices requires the energetic support from the people in all quarters in Shanghai. All trade unions, Communist Youth League organizations, and women's federations must attach great importance to the drive to wipe out the six vices and give their energetic support. They should work

actively in coordination with public security organs and use all forms of publicity measures to educate the masses, expose the danger of the six vices, publicize the results in wiping out the six vices, and give the masses the assistance they need. The vast number of residents must actively expose all types of lawless and criminal activities and work with public security organs in confiscating and destroying obscene materials [words indistinct].

Li Xiaohang also urged those who are involved with the six vices to be aware of the situation, cast away illusions, and turn themselves in so that they will be handled leniently. Should they refuse to do so and even continue committing crimes, Li said, they shall be harshly punished according to law.

Central-South Region

Article Examines Guangdong Economic Situation

HK0612150089 Guangzhou NANFANG RIBAO in Chinese
22 Nov 89 p 4

[Article by Huang Gongmian (7806 0501 4875), Chang Min (1603 2404), and Huang Liuguo (7806 2692 0948): "Correctly Understand the Current Economic Situation in Our Province"]

[Text] The communique from the 5th Plenary Session of the 13th Central Committee says: "Party organizations at different levels should provide guidance for all party members and cadres to help them correctly understand the current economic situation, fully recognize the favorable conditions for overcoming difficulties, and, with boosted confidence, strive strenuously with concerted efforts." What is the current economic situation in our province? This issue is of interest to all and we would like this article to voice our opinion on the issue.

I.

Since the beginning of this year our province has achieved initial success in improvement and rectification and the economy has been developing steadily. In agriculture, there has been a good harvest and the estimated annual grain output this year will reach 35 billion jin, an increase of 2.3 billion jin over last year. This is a change from the persistent standstill, and even downturn, in grain output in recent years. The rate of increase in industrial output has continued to fall off. From January through September this year, the actual total output value of industry for the whole province was 75.42 billion yuan, an increase of 19.65 percent over the same period last year, but down 12.4 percent in terms of rate of increase. In foreign trade, the gross export value in the first 9 months amounted to \$5.605 billion, up 3.38 percent over the same period last year and the use of foreign capital has been rapidly increasing. The grand total of foreign capital actually used from January through September was \$1.682 billion, a 17.3 percent increase over the same period last year. This included the \$853 million in loans from overseas, which was up

18.7 percent. The price increases in the market have significantly eased off. In September, the general index of retail prices for the whole provincial community rose by 10.1 percent over the same month last year and by 0.4 percent over August this year. The overall rise for the period from January through September was 29.8 percent, for the first time coming under last year's counterpart figure of 30.2 percent. Compared with the beginning of this year, the average monthly drop in the rate of price increases is 2.3 percent. There has been a considerable increase in bank deposits and withdrawal of currency from circulation. By the end of September, the balance of bank deposits was 8.877 billion yuan more than the end of last year. The chief contribution for this came from an increase of 8.115 billion yuan in urban residents' deposits compared with the figure at the end of last year, constituting 91.42 percent of the total increase in deposits balance. The balance of bank loans increased over that at the end of last year by 3.132 billion yuan, up 3.20 percent, but this was 14.4 billion yuan less than the increased amount during the same period last year. The grand total of currency withdrawn from circulation from January through September was 5.634 billion yuan, an increase of 6.312 [figures as published] billion yuan over the same period last year. Investment in fixed assets has been brought under control somewhat. The actual investment of the first 9 months totaled 10.686 billion yuan, equalling the same period last year, and the share of localities in the total was 8.208 billion yuan, down 0.16 percent compared with the same period last year.

II.

Since the beginning of the 3d quarter of this year the problem of a weak market has become increasingly conspicuous month by month. First, from February through July, the total volume of retail sales for the entire community decreased progressively by a monthly margin of around 100 million yuan. There was a slight pickup in August but then it dropped again by over 100 million yuan in September, down 0.8 percent compared with the same month last year, thus becoming the first negative increase. The total volume of retail sales for the 3d quarter was 17.32 billion yuan, a meager increase of 4.7 percent. The grand rate of increase in this area from January through September was also a modest 17.9 percent and, with the price change factor bypassed, it has always been a negative increase since the beginning of this year. Such a progressive market contraction and a continuous falloff in increase rate have not been seen for years. Second, September has invariably been a month of active markets in the past, with the two major holidays of the Mid-Autumn Festival and National Day enhancing the consumption needs of the general public. Some commercial establishments tend to promote sales by reducing prices competitively. However, this September saw a sales volume smaller than that of the same month last year and even a drop by 1.72 percent from August this year. That a busy season turns out to be a slack one is uncommon in recent years. Third, the

commercial stocks and the funds held by finished products in industrial enterprises were higher than the same period last year. By the end of August, the aggregate commodity stocks of the entire provincial community cost more than 25 billion yuan, up 36 percent over the same period last year.

The chief factors giving rise to a weak market are as follows: First, a spell of improvement and rectification has initially moderated the general demand of the entire community. On the one hand restraint over the scale of investment in fixed assets has not only made building materials unmarketable but also caused drastic market shrinkage for commodities related to building and fixtures. On the other hand, control of the excessive growth of consumption funds and the purchasing power of social groups has tremendously reduced the sales of consumer goods. Second, the introduction of value-conserving bank accounts and housing reform has diverted purchasing power. Third, there has been an ample supply of goods on the market and prices have been stable, and even somewhat lower, since the beginning of this year. The consumption mentality of the general public has consequently switched from preserving the value of their money through physical purchase to attaining the same ends through bank deposits. The panic purchasing of last year increased the consumption of certain durable consumer goods, thus affecting the sales volume this year. Fourth, the nationwide shortage of funds this year has had a negative influence on sending "Guangdong goods" to other provinces. "Guangdong goods," especially household appliances, beverages, candy, cookies, garments, and plastic goods, used to be highly marketable in other provinces. However, by September, the commodities sent to other provinces by the provincial Commercial Department and the supply and marketing cooperatives were down 4.7 and 9.4 percent respectively compared to last year. Fifth, there has been a decrease in the number of laborers and tourists from other provinces. According to an estimate by the party concerned, last year, the sales volume in this connection constituted 18 percent of the total. Sixth, some policies are also accountable to the weak market. For instance, monopolizing deals in color televisions has made them dull sellers. Bringing excessive amounts of sugar from other provinces and imposing additional tax on Guangdong goods that were originally selling well also affected the sale of industrial products. Some of the above reasons are justifiable and others are not and they should all be brought under discriminating examination.

Generally speaking, the weak market in our province is a result of the improvement and rectification. It has provided a golden opportunity for our province to revise its product mix and industrial structure and to improve business management to heighten its adaptability and competitiveness. But it should not be overlooked that the weak market has had some negative effect on the sound economic development of our province. First, the falloff in industrial production has been too drastic and the overstocking of finished products has been intensified. Many enterprises have stopped or partly stopped

production and economic returns have declined. Second, the revenue of the whole province has been affected. Since the beginning of this year, the revenue increase rate has been declining month by month. In June, July, and September, there were negative increases and for such a situation to persist for several consecutive months has been rare for many years. The main reason for the negative revenue increase is that the grand increase rate of industrial and commercial taxes, which are the vital source of revenue, has been declining monthly. Third, shortage of funds, which is one of the major factors giving rise to the current weak market, has been aggravated and the weakened market has boomeranged, making the shortage problem even more serious. From January through September, the grand amount of increase in the balance of circulating fund loans to industrial enterprises all over the province was only 1.46 billion yuan while in the same period the budgeted circulating funds held by the finished products of state industrial enterprises alone increased by 1.5 billion yuan over the same period last year. This means the increased amount of circulating funds has all been held in stock.

Since the beginning of this year our province has experienced a market situation that has been constantly heading downward. This, however, is not an indication that the problem of total demand exceeding total supply in the community has been softened to the core, not to mention that an all-around buyer's market has come into being. By and large, the situation of total demand exceeding total supply in the community has not been changed and social demand is still very high. By the end of September, the balance of bank deposits in both urban and rural areas amounted to 52.02 billion yuan, an increase of 11.65 billion yuan over the end of last year. A large proportion of consumption funds has been laid aside in bank deposits. According to an estimate by the relevant party, the urban and rural residents' bank deposits and cash surplus in hand constitute a total purchasing power of over 60 billion yuan, equaling the total volume of retail sales of the entire provincial community in 1988. This is a tremendous latent purchasing power. The demand by the general public for daily necessities has been on a normal growth track and their demand for some durable consumer goods is not yet saturated. They have only been waiting for the prices of these items to become more attractive. Latent purchasing power may at any time realize itself and therefore consumption demand is still high. We should have a clear understanding of this. At present, a considerable proportion of goods, the production of which has stopped or partly stopped, are in the line of daily necessities. If measures are not taken in good time to ensure the continuity of normal production of these items, stocks will be drained in the foreseeable future and will inevitably remain so unless there is follow-up production to make up deficiencies. Commodity storage in our province is very poor and, in fact, vulnerable. Particularly insufficient are those commodities in high demand. In the event that the general public put a trivial 10 percent of their surplus purchasing power into use

when circumstances so demand, the market will have to meet a hard blow. Furthermore, because the income and consumption of the general public are on a similar level, and their needs for daily necessities tend to be alike, once a brisk market resuscitates, people will very likely rush to purchase similar groups of items, thus throwing the market into tension and chaos.

III.

We cannot afford to be optimistic without reason about the current economic situation in our province and underestimate the necessity and difficulty of improvement and rectification. Nor is it right for us to think too much of the difficulty and overlook the favorable conditions that are there for overcoming them and consequently become diffident of surmounting adversities. It is our top priority task to correctly understand the current situation and go on to formulate correct guidelines and policies. What follows are the countermeasures and other suggestions that we have conceived after studying the aforementioned current economic situation in our province and are hereby offered as a basis for further consideration.

First, we should take advantage of this opportune moment when a weak market is in evidence and an economic cool-down has got under way. Adjustments should be made without delay to the industrial structure and product mix and firm measures should be taken to see that a batch of enterprises, whose products are literally unsalable and can find no room in the market, close down, stop production for the time being, merge with others, or change their line of production. We should resolutely consolidate or remove from the field of circulation those companies that are in excess of the amount actually needed and unqualified for their engagements, so that the number of links in circulation can be reduced and a normal market order will gradually come into play. We should continue the efforts to control the overflowing total market demand, especially the investment in fixed assets and the purchasing power of social groups. Various methods should be adopted to direct the consumption of individual residents and help divert their latent purchasing power through different channels.

Second, in view of the negative influence of the weak market on our province's economy, we should make the following moves to render the present predicament less threatening: 1) Enterprises should make themselves market-oriented, improve their operating policies, tap their inner potential, carry out innovation, lower the cost while enhancing the quality of their products, and make them more competitive by giving up an appropriate portion of the profit. 2) Commercial departments should try every possible means to free the sales channels of any obstruction for currently unsalable daily necessities and open up and expand markets, both inside and outside our province, by promoting those commodities in the vast rural area on the one hand and staging promotions in other provinces or municipalities, e.g. putting on a

"Year-end Guangdong Goods Fair" in cooperation with the local authorities concerned. 3) Raise a starter fund to back state-run commercial organizations and supply and marketing cooperatives in opening up markets inside and outside our province so as to give full play to their role as the main channel and reservoir in circulation. The starter fund raised by the provincial authorities should be appropriated for the sole purpose of increasing the storage for purchasing goods that sell well, in order to settle the problem of tripartite debt and chain debt. 4) Make active use of idle equipment and labor, in those enterprises which have stopped or partly stopped production, to undertake "three processings and one compensation." The enterprises located in the Zhujiang Delta neighboring Hong Kong and Macao should, when circumstances so allow, resort to foreign capital, technology, and sales channels and make this a starting point for their production. A careful study should also be made on the sort of downturn in production and unsalability of products caused by certain policies and adequate adjustment and improvement should ensue to help normalize economic development.

Hainan Secretary Inspects Public Security Work

*HK0112202089 Haikou Hainan Provincial Service
in Mandarin 2300 GMT 29 Nov 89*

[Excerpts] According to HAINAN RIBAO, Xu Shijie, secretary of the provincial party committee, yesterday inspected public security work in Haikou City. He urged the Haikou City departments concerned to make up their minds to do a good job in the comprehensive public security control in the province's capital, with the stress placed on key links and by holding up martyr (Yu Jisheng) as a good example for public security personnel.

Having heard briefings by Lin Mingyu, secretary of the Haikou City party committee, and leading comrades of political and legal departments on the progress made by Haikou City in implementing the spirit of the enlarged meeting of the Standing Committee of the provincial party committee, Xu Shijie emphasized: Haikou City, as the capital of Hainan Province, definitely must maintain good social order and ensure a safe working and living environment for the local public and foreign investors. [passage omitted]

Xu Shijie said: The enlarged meeting of the Standing Committee of the provincial party committee has already decided that the Haikou City authorities are to exercise centralized leadership over public security work in Haikou. And all local units are to take care of public security within the extent of their jurisdiction. [passage omitted]

Xu Shijie urged the Haikou City authorities to strengthen grass-roots organs of political power, efficiently group together neighborhood committees and neighborhood groups in the city, establish a mass public security joint force, and develop a public security control network to cover all the urban and rural districts of the city. In addition, he said, it is necessary to encourage the

masses to report criminal elements. In this way criminals will have no place to hide. [passage omitted]

Men Jinao, director of the provincial Public Security Department, and leading comrades of other departments concerned accompanied Xu Shijie on his inspection tour.

Hainan Issues Circular on Central Committee Session

*HK3011025489 Haikou Hainan Provincial Service
in Mandarin 2300 GMT 28 Nov 89*

[Text] On the 23d of this month, the propaganda department of the provincial party committee issued a circular, demanding that in light of the realities of our province, the party committees at all levels and their propaganda departments, penetratingly organize the study and dissemination of the spirit of the 5th Plenary Session of the 13th CPC Central Committee.

The circular points out: It is necessary to place emphasis on study by the cadres, particularly the leading cadres at all levels. On the basis of completely understanding the spirit of the documents and in conjunction with the realities of our own places and departments, we must solve some salient specific question and the question of guiding ideology. We must, therefore, correctly analyze the economic situation of our province, affirm the achievements, and see the existing questions and difficulties. We must prevent unrealistic optimism or fearing difficulties, profoundly understand the necessity, arduousness, and important significance of improvement and rectification, unswervingly implement the decision made by the Fifth Plenary Session of the CPC Central Committee, and do a good job in our province's improvement, rectification, reform, and construction.

We must fully understand the central authorities' concern for and support of Hainan, firmly believe that the basic policies and measures of the special economic zone will remain unchanged, and work hard to use well and sufficiently, the special policies given by the central authorities.

It is imperative to clearly and definitely understand the relations between improvement, rectification, and deepening reform and the development of the special economic zone; to integrate the implementation of the spirit of the Fifth Plenary Session of the CPC Central Committee with the use of the policies, the laying of a foundation, and hard work; to carry forward the spirit of working hard to start an undertaking; and to lay a foundation in a down-to-earth manner.

We must seriously sum up experiences and lessons, overcome the idea of being overanxious for quick results, make full use of all favorable conditions, bring the strong points of all quarters into play, and ensure that the economy of Hainan Special Economic Zone can develop at an appropriate speed and in a continuous, steady, and coordinated way.

We must improve the leadership work style and leadership method, go deep into the grass roots, keep ties with masses, conduct investigation and study, look into the conditions of the people, set an example, and lead a thrifty life. On the foundation of establishing a responsibility system at all levels, we must enhance the efficiency of the organs.

The circular demands: It is necessary to continuously and penetratingly conduct education in the situation, policies, patriotism, collectivism, and socialism at the urban and rural grass roots and among the masses in conjunction with the study and dissemination of the spirit of the Fifth Plenary Session of the CPC Central Committee. It is essential to seriously do ideological and political work well, centered on the implementation of the spirit of the Fifth Plenary Session of the CPC Central Committee. We must lead the masses to see the achievements, bright future, and favorable conditions so as to strengthen their confidence.

The circular also demands: The departments, including the departments of newspapers, journals, radio, and television, must use inspiring enthusiasm, arousing the fighting will, and uniting the masses as the basic point of their work; actively, prudently, and carefully organize the publicity of the spirit of the Fifth Plenary Session of the CPC Central Committee; and work hard to improve the propaganda quality and to strengthen and deepen thinking with positive propaganda as the main aspect.

Hunan Provincial Leaders Do Voluntary Labor

HK0112050689 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 28 Nov 89

[Report: "Provincial Party and Government Leaders Xiong Qingquan, Liu Zheng, Sun Wensheng, (Shen Ruiping), and Yu Haichao, Leading Government Cadres To Take Part in Dike Maintenance Work at (Dazhongyan), Wangcheng County"]

[Excerpts] Yesterday was one of the rare fine days since the beginning of the winter. At 0900 provincial party and government leading comrades Xiong Qingquan, Liu Zheng, Sun Wensheng, (Shen Ruiping), and Yu Haichao led more than 200 cadres from organs of the provincial party committee, the provincial government, and the provincial power and water conservation department to take part in voluntary labor at the (Dazhongyan) and (Shangfu) construction sites in Wangcheng county.

(Dazhongyan) is one of the 11 large weirs in Hunan Province which keeps more than 120,000 mu of farmland. This year, the authorities of (Dinggang) District, where (Dazhongyan) is located, decided to build a 14 km-long standard dike. The project was started in mid-November. Yesterday more than 32,000 people took part in the construction work. This reporter saw colored flags fluttering in the wind over the construction site and numerous people, men and women, young and old, passing around carrying soil.

As soon as they got out of their cars, Xiong Qingquan, Liu Zheng, Sun Wensheng, (Shen Ruiping), Yu Haichao, and other leading people walked toward a mud puddle, picked up hoes and scoops, and started working right away. Carrying soil up to the top of the dike is hard work. Some young people tried again and again to persuade the leading comrades to take a rest. But they simply replied: We can manage it. And then they kept on carrying scoops of soil up a slope of 60-70 degrees.

At 1200, Xiong Qingquan and other party and government leaders stopped working and had a simple lunch sitting on the ground at the construction site. After that, they called some district, township, and village cadres to hold an unofficial discussion meeting, to find out the situation in winter water conservation work and to solicit opinions among them. This reporter took this opportunity to interview secretary of the provincial party committee Xiong Qingquan.

Xiong Qingquan said: [Begin recording] At present we have set off an upsurge of winter water conservation works in this province. Wangcheng County has done an excellent job. Today more than 30,000 people are working here on the construction site. For many years we haven't seen a scene as moving as this one! Water conservation is the life and blood of agriculture. [Words indistinct] In Hunan, we suffer drought in mountainous areas and flood around the lakes. Therefore, the key to agricultural development lies in water conservation work. Without irrigation, there will be no paddy fields. In launching water conservation projects, I think, the participation of cadres and workers in voluntary labor is of positive significance. We can take this opportunity to mingle with the masses, see some problems, and help solve them. [passage omitted] [end recording]

Hunan Discipline Inspection Commission Meets

HK0112195289 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 28 Nov 89

[Text] The Hunan Provincial CPC Discipline Inspection Commission held its eighth enlarged plenary session in Changsha from 27 to 28 November. The session demanded that party discipline be further strengthened so that the operation of economic improvement and rectification will be carried out smoothly and the reform will develop in depth.

The main tasks of this plenary session were to convey the spirit of the 5th Plenary Session of the 13th CPC Central Committee, the 5th Plenary Session of the Central Discipline Inspection Commission, and the 9th enlarged plenary session of the 5th provincial party committee, to further study the principle of running the party strictly; to tighten up party discipline and promote the development of party style; and to thus ensure that the operation of economic improvement and rectification and the deepening of the reform will go smoothly.

On behalf of the Standing Committee of the provincial Discipline Inspection Commission, (Luo Haifan), a

member of the provincial party committee and deputy secretary of the Provincial Discipline Inspection Commission, made a report during the plenary session on the progress made in the province this year in the cultivation of party style and party discipline, and suggested some future arrangements.

Comrade (Luo Haifan) pointed out: At present, all party-member cadres throughout the province must implement the spirit of the 5th Plenary Session of the 13th CPC Central Committee, uphold the party's system of democratic centralism, enhance their sense of discipline, oppose selfish departmentalism and decentralism, and exercise iron discipline to safeguard the party's authority and stability and unity within the party. It is necessary to take the interests of the whole into account and to stress discipline whenever it concerns a matter that has been decided by the CPC central authorities or the provincial party committee. Every order by the CPC central authorities or the provincial party committee must be carried out to the letter—no practice of ignoring policies formulated by the upper level and doing things in one's own way will be allowed, and the phenomenon of ignoring orders and bans will no longer be tolerated.

During the plenary session, Comrade Yang Minzhi, member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Commission, delivered an important speech entitled "Uphold the Party's Ideological Line, Strengthen Discipline Within the Party, and Ensure the Smooth Progress of the Operation of Economic Improvement and Rectification and the In-Depth Development of the Reform."

Comrade Yang Minzhi pointed out: Discipline is the guarantee of the implementation of the party's basic line. The on-going reform and opening up process are a self-perfection of the socialist system. In sticking to the principle of dialectic integration of the reform and opening up on the one hand and discipline on the other, we mean to apply the four cardinal principles to the discipline inspection work.

He said: Hosts of facts have shown that correctly enforcing the party's discipline not only does not contradict the reform and opening up but can give a great impetus to the reform and opening up and to economic work as well.

Comrades from the Yiyang prefectural party committee, the Hengyang City party committee, the Dayong City party committee, the party group of the provincial Financial Department, and the Shuangfeng County party committee also spoke during the plenary session.

Southwest Region

Guizhou CPC Committee Session Ends 1 Dec

HK0712052589 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 1 Dec 89

[Text] An enlarged meeting of the Third Plenary Session of the Sixth Guizhou Provincial CPC Committee was

held in Guiyang from 25 November to 1 December. Provincial party, government, and Army leaders Liu Zhengwei, Wang Chaowen, Ding Tingmo, Long Zhiyi, Hu Kehui, Kang Huzhen, Liu Hanzhen, Su Gang, Zhang Yuhuan, Miao Chunting, (He Renzhong), and (Xu Yijiang) attended the meeting. Comrades Liu Zhengwei and Wang Chaowen spoke at the meeting.

This was an important meeting of our province to convey and study the spirit of the 5th Plenary Session of the 13th CPC Central Committee. Through conscientiously studying the documents, the participants gained a good understanding of the spirit of the central authorities. They unanimously supported the decision of the 5th Plenary Session of the 13th CPC Central Committee endorsing Comrade Deng Xiaoping's resignation from the chairmanship of the CPC Central Committee Military Commission. They paid high respect to Comrade Deng Xiaoping for setting a good example in earnestly abolishing the life-long tenure of leading posts, which shows the broadmindedness of a great proletarian revolutionary. They are all determined to conscientiously study Marxism and Mao Zedong Thought and to study Comrade Deng Xiaoping's works under the leadership of the CPC Central Committee, with Comrade Jiang Zemin as its nucleus, and to carry forward the cause pioneered by the proletarian revolutionaries of the older generation. They unanimously supported the decision of the CPC Central Committee on further improving the economic environment and rectifying the economic order and deepening reform. They all understand that to continue to resolutely and firmly carry out the policy of economic improvement and rectification and deepening reform is a fundamental way of overcoming the economic difficulties in our country and ensuring a continuous, steady, and harmonious development of the national economy. They are determined to maintain unanimity with the CPC Central Committee and to put the stress of economic work on improving the economic environment, rectifying the economic order, and deepening reform in accordance with the unified arrangements of the whole nation.

The resolution adopted by this plenary session on further improving the economic environment and rectifying the economic order and deepening reform has integrated the spirit of the central authorities with Guizhou's reality, clearly pointed out the main targets, tasks, and measures for economic improvement and rectification in our province, and made arrangements for further carrying out economic improvement and rectification and deepening reform in our province. The plenary session decided to spend 3 years or longer, including this year, on basically completing the tasks of economic improvement and rectification in our province.

The main targets for economic improvement and rectification are: To control the growth rate of our province's retail prices and reduce it to below 10 percent step by step, so that it can generally be the same as the national average. To achieve a steady increase in financial revenue and continue to maintain a basic balance between

revenue and expenditure. To maintain a suitable economic growth rate and strive for an annual increase of 5 to 6 percent in the GNP while making continuous efforts to increase economic returns. To improve the irrational industrial setup. To strive for an increase in the output of grain and oil crops to new record highs and a steady growth in other major agricultural and sideline products. To improve the supply of energy, raw materials, and electric power. To strictly control population growth and keep the natural population growth rate below the rate required by the state. To further stabilize, deepen, and perfect all kinds of reform measures, and to gradually establish a provincial-level macroeconomic regulation and control system that is in conformity with the principle of combining the planned economy with market regulation and capable of making comprehensive use of economic, administrative, and legal means. In order to reach these targets, when carrying out economic improvement and rectification in our province, it is necessary to firmly grasp the four key links: To reduce general social demand, to readjust the industrial setup, to readjust the economic order, and to carry out the double-increase and double-economy campaign. It is necessary to give priority to the development of science, technology, and education.

The plenary session held that a steady development of agriculture is the foundation for stability in the economic, political, and social fields. To vigorously develop agriculture and strengthen the weak foundation of agricultural production is of greater importance in our province. The people of all nationalities and all walks of life in our province must take immediate action to support agriculture and make concerted efforts to promote agricultural production, especially grain production, in our province. To this end, it is necessary to do a good job in the following fields: 1) To effectively strengthen and improve leadership over agriculture; 2) to further stabilize and perfect rural policies and continue to deepen rural reforms; 3) to increase agricultural input and improve production conditions; 4) to vigorously popularize advanced agricultural science and technology; 5) to strictly control population growth and endeavor to increase the quality of the population; 6) to continue to develop township and town enterprises; 7) to continue to help the poor and minority nationality areas in their economic development; and 8) to make all trades and professions support agriculture.

The plenary session decided to strictly control general social demand in the period of economic improvement and rectification and to implement the policy of double retrenchment. It is necessary to do a good job in structural readjustment so as to ensure a steady economic growth and conscientiously rectify the circulation order. It is necessary to continue to develop diverse economic sectors with public ownership as the main body, carry out the double-increase and double-economy campaign in depth, and do all we can to increase economic returns. It is necessary to further deepen reform, open our doors wider, and gradually establish a macroeconomic regulation and control system.

The plenary session emphasized that it is necessary to adhere to the policy of long-term, continuous, steady, and harmonious economic development. This is the most important summary of our past experiences and lessons in economic construction over the past 40 years since the founding of the state. Whether in the period of economic improvement and rectification or after its completion, we must always adhere to this policy and prevent blindly pursuing an excessively high speed of development. We must continue to put increasing economic returns in first place in our economic work. Our province has a weak economic foundation. It needs a considerably high speed in its economic development. However, this speed must be realistic and based on increasing economic returns. In the course of economic improvement and rectification, deepening reform, and our long-term economic construction, we must proceed from our provincial situation and make concrete efforts in a down-to-earth manner, rather than being overanxious for quick results and taking unrealistic measures, so that we can change our backward situation step by step. In the period of economic improvement and rectification, while trying our best to reduce general social demand we must also do whatever we can to ensure a steady growth in our production so that our effective supply can be increased and the people's livelihood can be improved.

The plenary session required party organizations at all levels to give full play to the role of the party as the force at the core and a powerful fighting force, conscientiously study and implement the spirit of the 5th Plenary Session of the 13th CPC Central Committee, unify their thinking and action, and make concrete efforts to do a good job in all fields. It is necessary to integrate the building of material civilization with the education for party members and the building of spiritual civilization. It is necessary to further strengthen the building of clean government, improve party style, carry out struggles against corruption and bureaucratism, and rebuild and develop the flesh-and-blood relationship between the party and the masses. It is necessary to adopt an overall point of view, strictly observe discipline, and resolutely oppose decentralism. It is necessary to forcefully strengthen ideological and political work, conscientiously study the basic theories of Marxism and Mao Zedong Thought, and carry out the education in adherence to the four cardinal principles and the struggle against bourgeois liberalization for a long time so as to ensure the smooth progress of economic improvement and rectification and deepening reform.

The plenary session called on the people of all nationalities throughout the province to become closely united and, under the correct leadership of the CPC Central Committee, with Comrade Jiang Zemin as its nucleus, to boost their morale, make concerted efforts to pioneer a great cause through self-reliance and hard struggle, and strive for a decisive victory in our province's economic improvement and rectification and deepening reform and new victories in our socialist modernization drive and the cause of reform and opening up.

North Region

Beijing Committee, Cadres Study Plenum Guidelines

SK3011040189 Beijing *BEIJING RIBAO* in Chinese
13 Nov 89 p 1

[Excerpts] Over the last few days following the issuance of the communique of the 5th Plenary Session of the 13th party Central Committee, the municipal party committee as well as party and government cadres of the districts, counties, and bureaus, and the broad masses of the people have conscientiously studied and discussed the communique. They have spoken glowingly of the guidelines of the 5th plenary session, and pledged to resolutely support the decisions of the session, to closely rally round the party Central Committee where Comrade Jiang Zemin plays a key role, to conscientiously implement the guidelines of the session, and to make concerted efforts to push forward the cause of building socialism with Chinese characteristics.

No sooner had the communique been issued than the cadres and the masses across the municipality listened in to and watched the guidelines of the communique over the radio and television. On 11 November, the Beijing municipal party committee held an enlarged Standing Committee meeting to relay the guidelines of the fifth plenary session. The meeting participants generally maintained that the fifth plenary session was another important meeting in the history of the party as well as a great matter in the national political activities. They pledged to resolutely support the decisions adopted at the fifth plenary session, including "The Decision on Further Improving the Economic Environment, Rectifying the Economic Order, and Deepening Reforms," "The Decision on Approving Comrade Deng Xiaoping's Resignation From the Chairmanship of the Military Commission of the CPC Central Committee," and the decision on appointing Comrade Jiang Zemin as chairman of the Central Military Commission, Comrade Yang Shangkun as first vice chairman of the commission, Comrade Liu Huaqing as vice chairman of the commission, and Comrade Yang Baibing as secretary general of the commission, and adding Comrade Yang Baibing as member of the Secretariat of the CPC Central Committee.

At the forums, the cadres and the masses of the municipality generally expressed that the leadership collective where Comrade Jiang Zemin plays a key role is strong and its work has been fruitful. [passage omitted]

After reviewing Comrade Deng Xiaoping's gigantic contributions to promoting the development of the united front work under the new situation, Mei Xiangming, vice chairman of the Central Committee of the China Association for Promoting Democracy; and Pu Jiexiu, chairman of the municipal committee of the China Democratic National Construction Association, expressed that Comrade Deng Xiaoping, who is in good health, resigned from the chairmanship of the Central

Military Commission, thus displaying his noble character and sterling integrity and his concern for the supreme interests of the people, and that they absolutely admire and respect him.

Article Recalls 'Subversive' Shanxi Reform Seminar

HK3011122589 Taiyuan *SHANXI RIBAO* in Chinese
10 Nov 89 p 3

[Article by reporter Ma Yuxi (7456 3768 3886): "When the Storm Is About To Burst—a Perspective of the 'Culture and Reform' Seminar in November 1988"]

[Text] Comrade Mao Zedong once said: "Anyone wanting to overthrow a political regime must create public opinion and do some preparatory ideological work. This applies to counterrevolutionary as well as to revolutionary classes."

The turmoil and revolt occurring in the turn of spring and summer this year was a long-premeditated counter-revolutionary incident aimed at subverting the people's state power under the leadership of the CPC. It occurred after a great deal of opinion preparations were made.

The seminar on "culture and reform" organized by some people in Shanxi University last November was a typical case of making such opinion preparations.

I.

The timing of the "Culture and Reform" seminar was shortly before the anniversary of the "December 9 Movement." At that time, some Western countries wrongly assessed the situation and thought that it was the opportune time to overthrow the socialist state led by the CPC. They intensified various counterrevolutionary activities of infiltration, subversion, and "peaceful evolution." At home, some hostile elements who never gave up their attempt to overthrow the Communist Party also ran around on sinister errands. They frequently organized various activities in some institutions of higher learning. As a result, a variety of organizations such as "salons," "democracy society," or "Voice of Freedom" appeared successively in these schools.... In this period, Wang Xinlong, former deputy dean of the Political Science Department of Shanxi University, could no longer restrain himself and rushed out into the open. He told the party general branch secretary in his department: "We should also invite the authors of River Elegy to give some lectures. They have new viewpoints and new ideas which are much more powerful than the doctrines of Marx and Lenin." He spared no effort to contact other people at higher or lower levels, and went to Beijing and Xian for several ten times. He personally issued invitation letters to a number of people of letters, including those who fled to foreign countries after the turmoil, the secondary author of River Elegy, those who put on a rival show against socialism, and those who were the most aggressive in advocating bourgeois liberalization.

In order to ensure the smooth holding of the seminar, Wang Xinlong racked his brains, trying to raise funds from various institutions. He first contacted several units and asked them to contribute 500 yuan each. Then he asked Su Yidang, deputy secretary of the CPC Committee in Shanxi University, to give some encouragement to the seminar at the opening session of the seminar. Comrade Su Yidang said: "Of course, I can give a speech there, but I do not know those who will attend the seminar." Wang Xinlong answered rather frankly: "This academic seminar itself is a political issue, and those being invited are all people with original ideas." Su said: "If that is the case, I will not attend the seminar. For the sake of students and our school, I put forward three proposals: First, the speeches at the seminar should not violate the four cardinal principles; second, the seminar should be conducted in a small scope; and third, those who attend the seminar should be young teachers and graduate students, and no undergraduate students should be allowed to attend the seminar." However, Wang Xinlong did not accept this advice. He printed more than 1,000 copies of notice beforehand, and mailed them to 29 provinces, municipalities, and autonomous regions. He also had posters put on the school campus. Then, the so-called "Culture and Reform" seminar was formally opened.

On 1 November 1988, the seminar opened in Shanxi University. Through deceiving the university leaders, Wang Xinlong and his cohort did not control the scope of the seminar. They put on colorful posters everywhere in the school campus. They even tried to invite some people as advisers in an attempt to increase the appeal of the seminar, but this was turned down by the school leadership. Wang Xinlong was seriously warned several times by school leaders, who pointed out that their activities violated the school regulations. However, Wang Xinlong simply defied the leaders, and more recklessly carried out their activities. As a result, more than 70 students formally attended the seminar, including 17 students from other provinces and more than 50 students from various colleges in this province. Most of them were graduate students and young social scientists. In addition, more than 300 undergraduate students in Shanxi University listened to the lectures at the seminar. Tickets were sold for several sessions of lectures, and each ticket cost more than 10 yuan. Many students bought tickets to listen to the lectures due to their curiosity. At most, the number of people attending a session reached 600; at least, the number of people attending a lecture was 300. This seriously affected the normal teaching order and caused confusion in the minds of the young students who lacked life experience.

II.

The seminar was said to be held for "academic discussions," but in a period of 10 days, the seminar was full of militant speeches with strong political colors. The following remarks were uttered in the seminar:

Negating the party's leadership. At the opening session of the seminar, a postgraduate student who was studying for the Ph.D. degree in the Chinese People's University was the first to read his paper. He wildly clamored: "In the contemporary world, all the socialist countries which are pursuing the one-party system are now facing many problems. It is now clear that the one-party system cannot compare with the multiparty system. In our country, the one-party system is the core of the four cardinal principles. It is not something negotiable but must be toppled." Another postgraduate student who was pursuing the doctorate in the Youth Political Institute said: "In China, it is infeasible to replace the one-party system with the multiparty system and to replace unitarianism with pluralism, because no other force in Chinese society can match the Communist Party, and at a deeper level, the quality of the Chinese populace remains too poor and people lack awareness of being independent and lack independent personality. Therefore, it is necessary to seek some ideal channels for realizing the multiparty system and the system of the three separated powers." He then added: "Without private property, there will be no democracy and no modernization." He feared that other people did not understand his implication and then gave further explanation: "By private property, I do not mean that mentioned by Marx but the current system in the United States, that is, the national economy is first based on business contracts and second based on shares of equity."

Negating Marxism-Leninism and Mao Zedong Thought. An associate researcher in Youth Political Institute blatantly attacked Marxism-Leninism and Mao Zedong Thought by say: "Marxism-Leninism and Mao Zedong Thought are not science but ideology." He also said that "taking practice as the criterion for testing truth" and "adhering to the four cardinal principles" are contradictory. "From the viewpoint of law, the four cardinal principles seem to be guaranteed by law. However, if these principles are also stressed in the academic field, the first proposition will become completely meaningless."

Attacking the socialist system and reform. A postgraduate student for the doctoral degree in the Chinese Academy of Social Sciences maligned China's reform by saying that China's reform "adopted a pragmatic way of 'crossing the river by groping stones beneath the water.'" The theory for reform is not mature and cannot be developed ahead of the reform practice." He also blatantly said: "Socialism has come to an impasse." "All socialist countries have encountered the problem of inflation. In the final analysis, the root cause of this problem lies in the dominating public ownership system." Another person from the Youth Political Institute further said: "In China, it is feudalistic things that really have strength, and nothing can match them. Therefore, it is very risky to carry out reform in China. Reform in China will certainly be rather painful experience, and there may even be a certain degree of turmoil. If we try to maintain a certain degree of stability, this will just increase the painful feelings. Fearing pains will just lead to greater pains."

Attacking the proletarian literature and art line. When briefing the audience about what happened around the creation of the television series, the secondary author of River Elegy said that he felt regret for the twists and turns encountered by the series because of the private talks of several people. He said: "Wang Zhen has the right to criticize River Elegy for betraying the ancestors, but he should not use his power to suppress different opinions. Even the Taiwan authorities also allow the airing of different opinion, why can't we do that?"

Negating the communist ethics. When talking about the rebuilding of morality, the secondary author of River Elegy said: "I do not agree that Li Yanjie, Qu Xiao, and Peng Qingyi act as career moralists and full-time moral preachers, because their sermons lack sincerity and real feelings and have become ideological inculcation unacceptable to many people. Their moral sermons only serve certain political purposes and have lost the neutral position that morality should have. So they are now in a rather embarrassed position."

The above remarks showed that they did not conduct any "academic discussion"! What they did was to attack the four cardinal principles and advocate bourgeois liberalization in an attempt to overthrow the leadership of the Communist Party and to subvert the socialist People's Republic.

III.

It is not hard to imagine what confusions caused to the school by the seminar organized by Wang Xinlong and his cohort.

At that time, the school's Communist Youth League committee was preparing for the activities of commemorating the December 9 Movement, and the students in various departments were preparing some art performance programs. However, after the seminar, a big-character poster was put on in the school campus, saying that "the nation is now facing a major crisis, how can you continue to sing and dance in order to put on a false show of peace and prosperity? You should also listen to the 'elites' and know what they said." Then, many people in the university were attracted to the discussions on the speeches by the "elites." This seriously affected the thinking and study of the students, and the impact also extended to the public in society and became a major factor for the occurrence of the student unrest and the turmoil in the turn of spring and summer this year.

Sun Yi, a student in the Department of Political Science, Shanxi University, said: "The seminar in November seriously poisoned us. When hearing what they said, we even regarded those as original ideas and new conceptions, and were infected and confused. In recent years, many people among the students held that Marxism was out-of-date and had become useless, and they had no interest in the lessons on Marxist-Leninist theory. The 'elites' put forward such ideas as 'political pluralism,' 'economic privatization,' and 'intellectual liberalization.' We felt that they were new and original. These

theories directly led to our reckless and impulsive actions in later months, which even brought ruin on ourselves."

Feng Yuping, a student in the Department of Environmental Protection, said: "We were deeply moved and affected after attending the seminar. The remarks of those speakers guided our actions later, and were used as our grounds in debates. Now, we find that we were too naive!"

Gao Xing, a teacher in the Department of Art and Music, said: "The seminar caused serious consequences to the school. It represented the ideological trend of bourgeois liberalization. After attending the seminar, some students in my department debated with some teachers in the Teaching and Research Section of Marxism-Leninism, and the students said that Marxism-Leninism is out-of-date and what the 'elites' said represented the truth."

Zhang Xiaobiao, a student in the Department of Chinese, said in an article: "Last year, some 'elites' in society came to our school to peddle some rubbish, and we were easily taken in. In the past, I rarely heard the convincing voice representing Marxism-Leninism. We gradually gave up the theoretical weapon and exposed our serious weakness and shortcomings. In May this year, some students stormed the 'two meetings and one festival.' This was one case that reflected the evil consequences."

The "Culture and Reform" seminar has become a past event, and its reactionary contents and serious consequences have also been fully exposed. However, its impact remains. As a negative lesson, it will always prompt people to think: When facing the wild attacks of the foreign and domestic hostile forces, what should the institutions of higher learning do? How can they carry out further struggle against the attempt of infiltration, subversion, and "peaceful evolution"? How can they be built into strong positions for cultivating socialist successors?

Northeast Region

Heilongjiang Surveys, Registers News Media
SK0512021789 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 2 Dec 89

[Text] The Propaganda Department of the provincial party committee and the provincial Press and Publication Bureau recently issued a circular, deciding to investigate and count, beginning today, the reporter stations of the various newspapers and periodicals of our province, and the reporter stations established in our province by the various newspapers and periodicals of the central authorities and other provinces, municipalities, and autonomous regions. The purpose is to strengthen management of the agencies of newspapers and periodicals.

The circular urged: All localities should adopt effective measures to make it possible for the agencies of newspapers and periodicals stationed in the areas under their

jurisdiction to actively report themselves to the competent authorities. The statistics gained from the present investigation will be used as the basis for the work of registering, screening, and approving the agencies to be carried out in the next step. Agencies which have not reported to the competent authorities will not be registered. We may order the reporter stations, offices, and information stations that are found, during the investigation, to have evidently violated regulations, or to have engaged in improper activities to stop their activities for the time being, and report the situation to the provincial Press and Publication Bureau. The current investigation and counting work will be completed by 20 December.

Heilongjiang Reports Grain Purchases

SK0312050989 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 39 Nov 89

[Summary] As of 27 November, our province had purchased and laid up 3.9 million tons of grain, fulfilling 73.6 percent of the annual contract purchasing task, which is 1.7 times the amount of grain laid up last year.

Jilin's He Zhukang Tours Livestock Company

SK0312120089 Changchun Jilin Provincial Service in Mandarin 2200 GMT 2 Dec 89

[Text] On the morning of 2 December, He Zhukang, secretary of the provincial party committee, made successive inspection tours at the province's livestock and poultry general company in Changchun city; the construction site of the province's trade center of livestock, poultry, and special local products; and the projects of Gongzhuling city in building chicken farms and breeding fine animal strains.

During his inspection tours, he fully acknowledged the work done by the livestock and poultry general company over the past 2 years, since its founding. He pointed out that in order to accelerate the pace of developing livestock production throughout the province so as to fully satisfy the people's needs, it is imperative to proceed from breeding or selecting fine animal strains, bringing into play the role of higher educational institutions, scientific research units, and departments in charge of animal husbandry in carrying out research in this regard. He Zhukang stated: In order to develop agricultural production and animal husbandry in line with the material resource and production conditions in the province, it is imperative that technical coordination among enterprises, or between enterprises and scientific research units and higher educational institutions, be set up, and that science and technologies become productive forces or agents of social service through conducting this technical coordination between them. Departments concerned should do a very good job in summarizing the methodology and experience gained by the provincial livestock and poultry general company in this regard, and should popularize them among the various localities throughout the province.

In referring to the situation in livestock development this year, He Zhukang stated that the 1989 animal husbandry project had been formulated for vigorous development of the rural economy in 1989. Judging from the achievements made in the project over the past year, it has played an important role in promoting the great development of animal husbandry throughout the province.

During his inspection tours, He Zhukang stressed that in developing livestock production, various localities should closely follow the principle of exploiting strong points, avoiding shortcomings, and bringing strong points into full play; have their livestock production geared to markets throughout the country and the world; formulate their own specific target of development; and make concerted efforts to have the province's animal husbandry production achieve still greater development within a short period.

Joining him on his inspection tours on 2 December were Ren Junjie, secretary general of the provincial party committee, and leading personnel from the departments concerned.

Jilin Discipline Inspection Plenum Ends

SK0512032789 Changchun Jilin Provincial Service in Mandarin 1030 GMT 3 Dec 89

[Text] The 4th plenary session of the provincial Discipline Inspection Commission, which concluded today, called on discipline inspection commissions at all levels to implement to the letter the guidelines of the 4th and 5th plenary sessions of the 13th party Central Committee, the 5th plenary session of the Central Discipline Inspection Commission, and the 4th plenary session of the 5th provincial party committee. It called on focusing on the endeavor of improvement, rectification, and deepening of reform, concentrating efforts on improving the party's discipline and work styles, emphasizing the work to investigate and handle discipline breaches, which is the central link, and comprehensively give play to the role of protection, punishment, education, and supervision of discipline inspection organs to ensure that the various tasks set forth at the 5th plenary session of the party Central Committee are fulfilled.

The provincial Discipline Inspection Commission held its 4th plenary session in Changchun from 2 to 3 December to relay and study the guidelines of the 5th plenary session of the 13th party Central Committee, the 5th plenary session of the Central Discipline Inspection Commission, and the 4th plenary session of the 5th provincial party committee. The session was held to discuss and analyze the province's current situation in reform and economic construction, and the tasks for discipline inspection work, to review and summarize the province's discipline inspection work carried out since the 3d plenary session of the provincial Discipline Inspection Commission and, based on the requirements of the 5th plenary session of the party Central Committee, the 5th plenary session of the Central Discipline

Inspection Commission, and the provincial party committee, to set forth the major tasks for future discipline inspection work of our province.

Comrade Li Deming, secretary of the provincial Discipline Inspection Commission, presided over the session, and gave a work report.

It was noted at the session: Since the third plenary session of the provincial Discipline Inspection Commission, discipline inspection commissions at various levels throughout the province have conscientiously carried out the investigation and clean-up work to safeguard the party's political discipline, waged in-depth struggles against corruption, and concentrated efforts on investigating and handling major and serious cases. Emphasis was placed on solving the hotly discussed problems toward which the masses reacted strongly, such as lavish wining and dining with public funds, purchases and allocation of excessive cars in violation of regulations, pursuit of selfish gains by party members and cadres in housing distribution, and the commercial activities and enterprises undertaken by cadres of party and government organs. They have also achieved a notable success in this aspect.

It was pointed out at the session that the major tasks for future discipline inspection work of our province are as follows: First, we should strictly enforce party discipline to ensure that the various policies and measures for the endeavor of improvement and rectification are carried out. We should resolutely investigate and punish according to discipline those who, in the process of improvement and rectification, refuse to implement central principles, policies, and regulations, undermine the interests of the state and the overall situation, develop selfish departmentalism, excessive decentralization, and the interests of small groups, and even line their pockets with public funds. Discipline inspection commissions should resolutely safeguard and ensure the performance of the work on which regulations have been formulated officially by the party Central Committee and the State Council, on which laws and regulations have been formulated by People's Congress standing committees, and on which official regulations have been formulated by the provincial party committee and government as well as city, prefectural, and autonomous prefectural party committees and governments in line with central guidelines and specific local conditions. Second, we should conscientiously do a good job in cleaning up our own ranks, and evaluating our cadres. Third, we should emphasize investigation of cases, which is the central link, and step up efforts to improve party style and party discipline. We should devote our major energy and time to achieve breakthroughs in handling some major cases in a concentrated manner. Fourth, we should broaden the channels for supervision, and raise its efficiency. The emphasis should be on strengthening the supervision of party organizations,

establishing and improving the mechanism of supervision within leading bodies and, meanwhile, strengthening the supervision over the efforts of the party's grass-roots organizations in improving party style and party discipline.

The session urged discipline inspection commissions at all levels to conscientiously improve themselves, intensify study of the basic theory of Marxism-Leninism, and upgrade the quality of discipline inspection cadres.

Northwest Region

Gansu Discipline Inspection Commission Meets

Meeting Agenda

HK2911085989 Lanzhou Gansu Provincial Service
in Mandarin 1030 GMT 26 Nov 89

[Text] The Discipline Inspection Commission of the Gansu Provincial CPC Committee held its third plenary session in Lanzhou today.

The Provincial Discipline Inspection Commission called the meeting after attending the third enlarged plenary session of the seventh Gansu provincial party committee in an effort to implement the spirit of the 5th Plenary Session of the 13th CPC Central Committee, the Gansu Provincial Work Conference and the enlarged plenary session of the seventh Gansu provincial party committee.

More than 150 people attended the enlarged plenary session. They included members of the provincial Discipline Inspection Commission, secretaries of the discipline inspection committees of organs directly under the provincial authorities, and leading comrades in charge of discipline inspection work.

Secretary of the Provincial Discipline Inspection Commission Wang Zhanchang delivered at today's session a speech entitled "Enforce Party Discipline To Ensure a Thorough Implementation of the Spirit of the 5th Plenary Session of the 13th CPC Central Committee." In his speech, he reviewed the general situation and major problems in the province's discipline inspection work over the past year, and put forth some tasks for discipline inspection work in 1990. He pointed out: The central task for the province's discipline inspection work in the coming year is to implement the spirit of the 5th Plenary Session of the 13th CPC Central Committee and the 3d enlarged plenary session of the 7th provincial party committee, and to work effectively to ensure the attainment of the goal of further improving the economic environment, straightening out the economic order, and deepening the reform.

Participants in the meeting conscientiously discussed how to strengthen the party's work of discipline inspection in economic improvement and rectification and in-depth reform.

Meeting Ends

*HK2911015389 Lanzhou Gansu Provincial Service
in Mandarin 1030 GMT 27 Nov 89*

[Text] The Third Plenary Session of the Discipline Inspection Committee of the Gansu Provincial CPC Committee ended in Lanzhou today [27 November]. Presided over by Wang Zhanchang, provincial discipline inspection committee secretary, the meeting was attended by 24 members.

The meeting unanimously supported the decision of the CPC Central Committee on further improving the economic environment, rectifying the economic order, and deepening the reform and some personnel changes made by 5th Plenary Session of the 13th CPC Central Committee. It unanimously supported the view of the provincial party committee and provincial government on implementing the decision of the CPC Central Committee on further improving the economic environment, rectifying the economic order, and deepening the reform, which was approved by the third enlarged plenary session of the seventh provincial party committee. It deliberated and approved Comrade Wang Zhanchang's report.

It was decided at meeting that: Over the past year, the discipline inspection organs at all levels in our province have attained remarkable successes in eliminating corrupt practices and strengthening the building of party work style. It was pointed out that the main tasks of discipline inspection work in our province in 1990 are: 1) Discipline inspection organs at all levels and all discipline inspection cadres should conscientiously study and earnestly implement the spirit of the Fifth Plenary Session, reach a consensus, enhance their understanding, strengthen their confidence, inspire revolutionary spirit, and strive to ensure the all-round implementation of the decision of the CPC Central Committee on further improving the economic environment, rectifying the economic order, and deepening the reform. 2) Sternly punish corrupt conduct and continue to seriously investigate and deal with major cases. 3) Step up investigation and study, do a good job in building party work style, and conduct education in party discipline in a thorough way. 4) Strengthen the organizational and ideological building of discipline inspection institutions to suit the needs of the developing situation.

Comrade Wang Zhanchang emphatically stressed: In the course of economic rectification and in-depth reform, it is necessary to place enforcement of the party's political discipline before everything else in our work. It is especially necessary to stress the party's centralism and unification to safeguard the inviolability of party discipline. All matters decided upon by the party Central Committee and the State Council must be implemented to the letter. Serious violations of discipline which do not identify themselves politically with the party Central Committee and which harm the cause of the party and state must be firmly dealt with. On no account should we be softhearted toward them.

Qinghai Secretary Comments on Agriculture

*HK2811124089 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 23 Nov 89*

[Excerpts] When conducting a survey in Haidong on 22 November, secretary of the provincial party committee Yin Kesheng pointed out: Stabilization of the present rural policy, intensification of the basis for agriculture, and the concerted efforts by the whole party, these are the guarantees of agricultural development in this province.

Yin Kesheng said: Great progress has been made in agriculture in the province over the past 10 years of reform. Qinghai's grain output has now increased to 1.12 billion kg. But, on the whole, we have a poor basis for agriculture here, mainly relying on extensive cultivation and lacking potential for further development. The agricultural problem has now become a major drawback to Qinghai Province's economic development. This problem, if not properly resolved, will certainly affect the exploitation of resources and the development of industry, as well as the development of the nationality economy and nationality solidarity. Party and government organs at all levels, all trades, and cadres and masses of all nationalities must be clearly aware of this. We must persist in taking agriculture as the key link, relying on ourselves, and working hard and unremittingly. We must take the development of agriculture as our principal work, draw up a long-term plan, adopt scientific measures, and make agriculture the foundation for exploitation of resources and for the continuous, steady, and harmonious development of the national economy.

Yin Kesheng said: Our cadres at all levels must explain to the vast number of peasants, assuring them that the party's policies toward rural areas will not be changed. These policies include the system of contracted responsibility on the household basis, the system of contracting livestock raising to households for pastoral areas, and the policy encouraging development of the diversified economy. Also included are the policy encouraging the development of township and town enterprises and individually-run enterprises, the policy of encouraging people to get rich through hard work and by doing legal business and to help others to get rich along with them, and the existing procurement policy. If these policies are to be changed, they can only be still better.

He said: For the present, we must take the opportunity of the operation of economic improvement and rectification to further readjust the agricultural production structure, to perfect all types of contracting systems, and to further strengthen guidance and management of the rural economy.

He emphasized that it is necessary to constantly increase investment in agriculture. [passage omitted]

Yin Kesheng asserted: In order to invigorate agriculture, we badly need to rely on scientific and technical service. [passage omitted]

Yin Kesheng urged leading cadres at all levels to further improve their work style, go down to the grass-roots level, immerse themselves among the masses, and sincerely work as public servants. Now it is the slack winter season, cadres at all levels should take this opportunity to find out the weal and woe of the people, help the masses solve actual problems, extensively publicize the spirit of the 5th Plenary Session of the 13th CPC Central Committee and Comrade Jiang Zemin's National Day speech, and encourage the masses to concentrate their efforts on the development of agricultural production and the rural economy.

Shaanxi Party Plenum Opens 27 Nov

*HK0112114389 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 28 Nov 89*

[Excerpt] The Fourth Enlarged Plenary Session of the Seventh CPC Shaanxi Provincial Committee opened in Xian on 27 November.

The main items on the agenda of the session are to conscientiously study the essence of the 5th Plenary Session of the 13th CPC Central Committee and of the central work conference, and to discuss and decide on plans for improving the economic environment, straightening out the economic order and deepening the reform.

In line with the essence of the Fifth Plenary Session, the session will further unify thinking of principal leading cadres of counties, cities, and prefectures, as well as of large and medium-sized enterprises, further discuss, revise, and approve the work report by the provincial party committee.

The guiding ideology of the session is to make a scientific analysis of the current economic situation in the province, [words indistinct] and inspire revolutionary enthusiasm to promote the province's economic construction on a sustained, stable and coordinated development. [passage omitted]

Spokesman on Mainland Refugees in South Korea
OW2911080989 Taipei International Service
in English 0200 GMT 28 Nov 89

[Text] A spokesman for the ROC Embassy in South Korea stated on Monday [27 November] that even though the South Korean Government hopes the ROC will accept 12 mainland refugees who fled to Pusan last week and have also stated their desire to come to Taiwan, the embassy has not been pressured by the South Koreans to take the refugees.

The spokesman said that information on the 12 mainlanders who fled to South Korea on a fishing boat have been forwarded back to the government authorities here in Taipei, and the embassy is waiting for words from Taipei on whether or not the embassy should accept the refugees.

The spokesman said that information compiled on the 12 was assembled by the South Korean Government, and that it still has not been determined whether or not the 12 were actively involved in the democracy movement last spring in Communist China. If the 12 were actively involved in the movement, the government here is likely to allow them entrance to Taiwan.

Senior Parliamentarians To Be Retired Gradually
OW2811000689 Taipei CNA in English
1520 GMT 27 Nov 89

[Text] Taipei, Nov. 27 (CNA)—The spokesman for the Republic of China Government told an American delegation Monday that the senior members of the nation's three parliamentary organizations would be gradually retired in order to rejuvenate the parliament.

Shaw Yu-ming, director general of the Government Information Office (GIO), also told the 10-member delegation from the American Enterprise Institute [AEI] that the Kuomintang [KMT], in power for decades, expects to win the majority of the votes in the Dec. 2 national and local elections.

The KMT is widely favored to win the elections mainly because of bright prospects for the nation's economic growth and the general public's confidence in the government, Shaw asserted.

The AEI mission, composed of election experts and scholars, is one of some 20 election observation teams from several countries here to watch the nation's first elections since the martial law was lifted in July 1987.

The group arrived in Taipei Sunday and is scheduled to depart on Dec. 4. During their stay, they will visit government agencies, meet with candidates of the ruling party and the major opposition party, the Democratic Progressive Party (DPP), and tour several voting stations.

During the meeting, members of the delegation raised questions about political developments on both sides of the Taiwan Strait. Shaw told them that communist

China lags far behind the Republic of China on Taiwan in the development of democracy.

During the past three years, the ROC Government lifted the martial law, revoked restrictions on the publication of new newspapers, and adopted a more open policy toward the China mainland, the GIO chief cited.

All these measures indicate that the ROC Government is determined to push the nation forward in the direction of democracy and freedom, he added.

Editorial on East Europe, Mainland Reforms
OW2811123589 Taipei CHINA POST in English
22 Nov 89 p 4

[Editorial: "Speed Up the Demise of Communism in China"]

[Text] In the past few months, Eastern Europe has been in a state of ferment. One after another the communist countries there have introduced drastic reforms and changes. Among the most striking are the decision by Hungary's ruling party to shed its communist label and the demolition of the Berlin Wall by East Germany. These and other developments signal that communism is dying in Europe.

Since the Chinese mainland is now under communist control, Chinese around the world have been deeply concerned about the situation in Eastern Europe. The question preoccupying their minds is: Will the Chinese mainland follow in the footsteps of Eastern Europe?

Judging from recent developments on the mainland, it is easy to see that communism is in decline there. The Peking regime still officially adheres to Marxism-Leninism. Yet, to save the mainland's faltering economy, the regime has been forced to adopt capitalist practices in some small ways.

The mainland is much larger than Eastern Europe, and it has its unique conditions. It would be naive to assume that the Chinese mainland will soon take the same path as Eastern Europe. And it is perhaps unrealistic to expect it to practice Western-style democracy at this time. The best one can hope for in the near future is that communism will crumble at a faster rate.

But we should not wait for this to happen. It is necessary to take steps to expedite the end of communism on the mainland. The people of the Republic of China [ROC] on Taiwan should assume this as their duty and strive to achieve this goal.

One necessary step toward this end is to liberalize further travel across the Taiwan Strait.

More Taiwan industrialists and businessmen should be allowed, and even encouraged, to invest in the mainland market. This will stimulate the growth of free enterprise there and deal a blow to communism.

The government should also permit more mainlanders, including scholars, artists, athletes and scientists, to visit Taiwan. They will be able to witness first-hand the advantages of living in a free-enterprise system and the freedom and affluence enjoyed by the people of Taiwan.

The sharp contrast between Taiwan and the mainland will impress them with the fact that communism is a blind alley, something which the people in Eastern Europe have begun to discover.

Another necessary step towards bringing about the demise of communism in mainland China is to promote

traditional Chinese culture and spread it on the mainland. The Communists, whose principles and beliefs are in conflict with traditional Chinese cultural values, have attempted to destroy traditional Chinese culture, culminating in the disastrous Cultural Revolution in 1966-76. Recently, however, traditional Chinese culture has been seeing a revival on the mainland. This is posing a threat to the survival of communism. The ROC on Taiwan should take advantage of this trend. We must emphasize and promulgate Chinese traditional values instead of allowing them to decline. This will be one of the most effective steps to topple Chinese communist rule.

Hong Kong

Security Secretary on Refugee Repatriation Plan

Cites Details

HK3011023189 Hong Kong SOUTH CHINA
MORNING POST in English 30 Nov 89 p 6

[Text] Hong Kong is working with the British Government on a repatriation scheme for Vietnamese which will include financial assistance for those returning as well as assurances of humane treatment, Secretary for Security, Mr Geoffrey Barnes, said.

In the longer term, the search for solutions to end the 14-year-old problem included more fundamental issues such as internal changes in Vietnam and the creation of living conditions there which would remove the incentive for departures.

"In short, economic revival is required. The quicker this is achieved the quicker we shall see the creation of living conditions which will not propel Vietnamese outwards from their own country," Mr Barnes said.

It would not be appropriate to reveal details of the repatriation program until a final agreement had been completed with Hanoi authorities, he added.

The arrangements for mandatory return would be in accordance with international practice for the return of illegal immigrants.

"The only difference being that we shall ensure arrangements for re-integration assistance, monitoring after their return and assurances of non-persecution of the returnees from the Vietnamese authorities," he said.

The mandatory repatriation scheme being worked on for those Vietnamese boat people screened out as non-refugees was in addition to the voluntary repatriation program already in operation.

"We see mandatory repatriation as being complimentary to voluntary repatriation and for both modes continuing in parallel with each other.

"We believe that mandatory repatriation will not only act to discourage people who are not genuine political refugees from setting out from Vietnam, but will encourage those who are already here into volunteering to go back to Vietnam," he said.

Mr Barnes said he was pleased with the progress being made in the resettlement of those Vietnamese who qualified for refugee status.

Legislators Attack U.S. Stand

HK3011023389 Hong Kong SOUTH CHINA
MORNING POST in English 30 Nov 89 p 6

[By Simon Macklin]

[Text] Legislators accused the United States of suffering from a complex as a result of its failure to win the Vietnam War and adopting hypocritical double standards in its attitude towards Hong Kong's boat people.

The councillors reacted angrily to America's continued objection to the mandatory repatriation of boat people who were screened out as non-refugees and called on the U.S. to take positive action to help resolve the refugee problem.

Councillor Lau Wong-fat said the U.S. had to the space and economic power to resettle all the boat people now in Hong Kong and said Washington should offer homes to the Vietnamese if it objected to them being sent back.

He warned that if the Hong Kong Government was seen to be bowing to pressure from the U.S. in stalling the repatriation process, then civil servants would be unable to face up to the people of Hong Kong.

"The attitude of the U.S. fully reveals the hypocritical double standards of itself," Mr Lau said.

Councillor Leung Wai-tung said Americans were still suffering from an "historical complex" as a result of having abandoned Vietnam in 1968 in the face of advancing communist forces.

"The U.S. still regrets its decision to withdraw from Vietnam," she said.

But Ms Leung suggested that the Hong Kong Government should attempt to explain the reasons behind mandatory repatriation.

Full page advertisements should be taken out in U.S. newspapers, while radio and television time should be bought to explain the situation in Hong Kong.

Several councillors said Washington itself operated mandatory repatriation of boat people from Haiti and other illegal immigrants.

Councillor James Tien Pei-chun said screening of Haitian asylum seekers was carried out in the U.S., yet so far only six had been granted asylum out of 21,000 who had arrived in the U.S.

"The U.S. has no doubt been well-meaning, but Hong Kong has noted with dismay efforts by President George Bush to block mandatory repatriation (of Vietnamese boat people)," Mr Tien said.

Americans had a "blindness" towards Hong Kong's refugee problem which extended from the Coast Guard to the President.

Councillor Hui Yin-fat said America's intransigence on the issue was discouraging the Vietnamese authorities from working towards a solution.

The American administration was encouraging "rascally behaviour" from the Hanoi Government, he said.

Washington had no right to talk about humanitarian answers when it was offering little in the way of positive solutions to the regional problem.

In opening the debate, Senior Legco member Allen Lee Peng-fei said he had recently written to 60 American senators and congressmen explaining Hong Kong's position and calling for support.

Refugees Resist

HK2911022589 Hong Kong SOUTH CHINA
MORNING POST in English 29 Nov 89 p 1

[By Simon Macklin]

[Text] Of Almost 57,000 Vietnamese boat people in Hong Kong, one small group being held in the shadow of Lion Rock commands international attention.

Sixty-two men, women and children in Phoenix House fear they will be the first to be sent home against their will.

They were among the first to be screened out as non-refugees and have lost appeals against their classification.

And while the British Ambassador in Hanoi, Mr Emrys Davies, said yesterday he would rather not say boat people were to be "forced" to go home, going home they are under an accord agreed to in principle during a visit to London by Vietnamese Foreign Minister Nguyen Co Thach in June.

The first batch would leave "before the end of the year, certainly before Christmas", Mr Davies said.

And ominously for the 62 in Phoenix House, the first flight "will carry less than 100 people because we want to analyse the situation before going full ahead with the program".

Fearing the worst, the inmates of Phoenix House have been refusing food provided by the Correctional Services Department for more than two weeks, eating biscuits, tinned food and instant noodles they purchase themselves.

Their demonstration, however, is witnessed by few except their wardens and staff from the office of the United Nations High Commissioner for Refugees (UNHCR) who call on them.

But UNHCR staff say they have not been able to talk to the Vietnamese unless accompanied by Government officials.

The shouts of protest fall on few ears: Phoenix House stands well back from a lane off Lung Cheung Road, surrounded by unfinished Government and industrial buildings.

Nevertheless the protest goes on, led by one or two "strong characters", according to the UNHCR staffs who have been inside the high-walled compound.

They stand at the narrow windows dressed in white shirts and tunics of mourning, headbands proclaiming demands for freedom.

"This is a freedom protest" one of the group shouted down from a dormitory window yesterday.

The group appeared cheerful and gladly held out their shirts and homemade banners, one of which said "We would rather die here than go back to Vietnam".

Another sign scrawled on a piece of cardboard and tied to the window frame said: "Violent protest against the forced repatriation".

The four-storey building until July was a half-way house for young offenders who had served part of a custodial sentence but had been allowed out to work.

At present there are 25 young offenders in another part of the centre.

The Vietnamese have use of some of the centre's classrooms and dormitories, a kitchen, library, the gym and an exercise area.

Correctional Services Department staff say conditions are better than those in Chi Ma Wan, where the group was held previously.

Phoenix House may be the last stop before Hanoi.

Mr Davies said reassuringly that the Vietnamese authorities have given the same security and non-persecution guarantees concerning these people as for the voluntary returnees.

Any improper treatment would "postpone the accord", he said.

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